

Thabazimbi Local Municipality LED Strategy - 2015



List of Acronyms

ABET	Adult Basic Education and Training
ACP	Anglo Platinum Converting Process
AfDB	African Development Bank
AMPLATS	Anglo Platinum Ltd.
APCF	Agro-Processing Competitiveness Fund
APDP	Automotive Production and Development Programme
ARC	Agriculture Research Council
ARDC	Agricultural Rural Development Corporation
AsgiSA	Accelerated and Shared Growth Initiative for South Africa
B&B	Bed and Breakfast
BBBEE	Broad-Based Black Economic Empowerment
BBSDP	Black Business Supplier Development Programme
BMR	Base Metals Removal
CASP	Comprehensive Agricultural Support Programme
CBD	Central Business District
CIP	Critical Infrastructure Programme
CIPRO	Companies and Intellectual Property Registration Office
CoGTA	Department of Co-operative Governance and Traditional Affairs
CIS	Co-operatives Incentive Scheme
CMR	Centre for Minerals Research
CRDP	Comprehensive Rural Development Programme
CSIR	Council for Scientific and Industrial Research
DAFF	Department of Agriculture, Forestry and Fisheries
DBSA	Development Bank of South Africa
DEAT	Department of Environmental Affairs and Tourism
DEPP	Developmental Electricity Pricing Programme
DM	District Municipality
DRDLR	Department of Rural Development and Land Reform
DTI	Department of Trade and Industry

EMIA	Export Marketing and Investment Assistance
EPWP	Expanded Public Works Programme
EU	European Union
FET	Further Education and Training
GEAR	Growth, Employment and Redistribution Programme
GDP	Gross Domestic Product
GIS	Geographic Information System
GVA	Gross Value Added
HDSA	Historically Disadvantaged South Africans
HIPC	Heavily Indebted Poor Countries
HRSA	Heraeus Refinery South Africa
ICT	Information and Communications Technology
IDC	Industrial Development Corporation
IDP	Integrated Development Plans
IDZ	Industrial Development Zone
IEB	Independent Examinations Board
IMF	International Monetary Fund
IPAP V	Industrial Policy Action Plan
ITMAS	International Tourism Marketing Aid Schemes
JIPSA	Joint Initiative for Priority Skills Acquisition
KPA	Key Performance Area
LDA	Limpopo Department of Agriculture
LDRT	Limpopo Department of Transport
LED	Local Economic Development
LEDA	Limpopo Economic Development Agency
LEGDP	Limpopo Economic Growth and Development Plan
LEGDS	Limpopo Economic Growth and Development Strategy
LIBSA	Limpopo Business Support Agency
LM	Local Municipality
LoM	Life of Mine
LQ	Location Quotient
LRAD	Land Redistribution for Agriculture Development

M&E	Monitoring & Evaluation
MAFISA	Micro-Agricultural Financial Institutions of South Africa
MCEP	Manufacturing Competitiveness Enhancement Programme
MDGs	Millennium Development Goals
MESE	Meeting, Exhibitions and Special Events
MICE	Meetings, Incentives, Conferences and Exhibitions
MIG	Municipal Infrastructure Grant
MIP	Manufacturing Investment Programme
MP	Main Place
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan
NDPG	Neighbourhood Development Partnership Grant
NEF	National Empowerment Fund
NGO	Non-Government Agency
NGP	New Growth Path
NSBC	National Small Business Chamber
NSDP	National Spatial Development Perspective
NQF	National Qualification Framework
NZG	National Zoological Gardens
OECD	Organisation for Economic Cooperation and Development
OEM	Original Equipment Manufacturer
PGDS	Provincial Growth and Development Strategy
PGE	Platinum Group Element
PGM	Platinum Group Metal
PI	Production Incentive
PLAS	Proactive Land Acquisition Strategy
PPP	Public Private Partnership
PTIF	Public Transport Infrastructure and Systems Fund
RAL	Roads Agency Limpopo
RDP	Reconstruction and Development Programme
RESIS	Revitalisation of Smallholder Irrigation Schemes

RIDS	Regional Industrial Development Strategy
SABS	South African Bureau of Standards
SADC	South African Development Community
SAT	South African Tourism
SAWEN	South African Women Entrepreneurs Network
SDF	Spatial Development Framework
SEDA	Small Enterprise Development Agency
SEFA	Small Enterprise Finance Agency
SETA	Sector Education and Training Authorities
SIC	Standard Industrial Classification
SME	Small and Medium Enterprises
SMME	Small, Micro and Medium-sized Enterprises
SSP	Skills Support Programme
SWOT	Strengths, Weaknesses, Opportunities and Threats
TEP	Tourism Enterprise Partnership
TLM	Thabazimbi Local Municipality
TMS	Trollope Mining Services
TSP	Tourism Support Programme
TTA	Thabazimbi Tourism Association
UNESCO	United Nations Educational, Scientific and Cultural Organisation
USP	Unique Selling Point
WDM	Waterberg District Municipality

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SECTION 1: Introduction

1.1 Introduction

Urban-Econ was appointed by the Thabazimbi Local Municipality to write the Local Economic Development (LED) strategy for the Municipality. The purpose of this document is to collate all economic information and investigate the coordinated and integration options available to broaden the economic base of the Thabazimbi Local Municipality.

The implementation of the Strategy would necessitate the facilitation of employment opportunity creation, investment and business development and the resultant positive spin-off effects throughout the economy.

1.2 Goal and Objectives

The goal of this document is to assist and support the Thabazimbi Local Municipality in the Waterberg District Municipality of the Limpopo Province to identify LED opportunities and to develop a LED strategy for the Municipality.

The LED strategy will identify and evaluate the most recent development changes in the local economy. It will also align the document with district, provincial and national initiatives.

The LED strategy aims to develop feasible implementation plans to thrust the economic development of the municipality forward onto additional paths of economic growth and expansion. The LED study forms part of the IDP process that is, by virtue of its analysis of local economic trends and strategic framework for development initiatives, a cornerstone for achieving local economic development within the Thabazimbi LM.

The purpose of the LED is to assist the Thabazimbi Local Municipality in creating an enabling environment that allows for economic development to occur within sustainable and expanding parameters,

while taking cognisance of the unique economic and demographic features and requirements of the Municipality.

The following actions were employed in preparing the LED document:

- The utilisation of updated socio-economic and demographic information for the Thabazimbi Local Municipality through the use of secondary information (existing data bases).
- An in-depth analysis of the real (but latent) development opportunities in the key economic sectors in the study area.
- The identification of practical sectoral programmes that could be applied as foundations for pro-active economic development initiatives.
- The focused analysis of key sectors taking cognisance of the first and second economy constraints and opportunities.
- The promotion of an inclusive, participatory process that integrates strategic planning, community participation, sustainability and good decision-making with local economic development.
- An emphasis on local job creation, alleviation of poverty and redistribution of opportunities and wealth.
- An explicit focus on opportunities for SMME development in all economic sectors.
- The promotion of the establishment of an enabling environment conducive to economic development by addressing human resource development and an institutional framework as key components of programmes and projects.
- Ensuring that the development opportunities have a definite geographic and spatial orientation to provide guidance in terms of sustainable future spatial development planning.
- Ensuring that the strategy aligns with and adds value to the existing policies, strategies and private sector initiatives.
- The provision of a strategic framework for implementation of LED initiatives.
- The development of viable LED projects as per the revised strategy (by means of

individual project development projections).

with Botswana to the north and northwest, the Capricorn Local Municipality to the north east and the North West Province to the south.

1.3 The Concept of Local Economic Development

Local Economic Development (LED) is about local people working together to achieve sustainable economic growth that brings economic benefits and quality of life improvements for all in the community.

Local in LED is about keeping the benefits of economic development within the local community.

Economic in LED is focussed on ensuring that the benefits exceed costs and that actions build long-term sustainability and local competitiveness.

Development in LED is about maximising or optimising the improvement in the quality of life of people in terms of the Human Development Index.

Local Economic Development is an on-going process, rather than a single project or a series of steps to follow. It involves identifying and using local resources, ideas and skills to stimulate economic growth and development. The aim of LED is to create employment opportunities for local residents, alleviate poverty, and redistribute resources and opportunities to the benefit of all local residents.

It is important to realise that LED is about building the investment competitiveness and as such, economic development actions and incentives need to be conceived in a proactive manner that creates and directs change as opposed to waiting for changes to become inevitable and only adapting to them or waiting for some action at national level to spur the overall economic development.

1.4 Location of the Study Area

The Thabazimbi Local Municipality is located within the Waterberg District Municipality of the Limpopo Province. It shares boundaries

SECTION 2: Policy Review

Local Economic Development operates within a complex legislative and policy context. Various International, National, Provincial and District development strategies will guide the Local Economic Development strategies, policies and actions of Municipalities.

This sub-section provides an overview of development strategies that are applicable to Local Economic Development and the implication of the strategies in terms of LED. The purpose of this review is to ensure that the Thabazimbi LED Strategy is aligned with the existing policy framework and to identify any implications for development in the region.

2.1 International Development Strategies

2.1.1 The Millennium Development Goals

The Millennium Development Goals (MDGs) are eight international development goals that were established following the Millennium Summit of the United Nations in 2000, succeeding the adoption of the United Nations Millennium Declaration. All 189 United Nations member states at the time (there are currently 193) and at least 23 international organisations committed to help achieve the Millennium Development Goals by 2015. The goals are as follows:

- To eradicate extreme poverty and hunger.
- Halve the proportion of people whose income is less than \$1 a day between 1990 and 2015.
- Achieve full and productive employment and decent work for all, including women and young people.
- Halve the proportion of people who suffer from hunger between 1990 and 2015.
- To achieve universal primary education.
- Ensure that children everywhere, boys and girls alike, will be able to complete

- a full course of primary schooling by 2015.
- To promote gender equality and empowering women.
- Eliminate gender disparity in primary and secondary education preferably by 2005, and in all levels of education by 2015.
- To reduce child mortality rates:
 - Reduce the under-five mortality rate by two thirds between 1990 and 2015.
- To improve maternal health:
 - Reduce the maternal mortality ratio by three quarters between 1990 and 2015.
 - Achieve universal access to reproductive health by 2015.
- To combat HIV/AIDS, malaria, and other diseases:
 - Have halted and begun to reverse the spread of HIV/AIDS by 2015.
 - Achieve universal access to treatment for HIV/AIDS for all those who need it by 2010.
 - Have halted and begun to reverse the incidence of malaria and other major diseases by 2015.
- To ensure environmental sustainability:
 - Integrate the principles of sustainable development on country policies and programmes and reverse the loss of environmental resources.
 - Reduce biodiversity loss by significantly reducing the rate of loss by 2010.
 - Halve the proportion of the population without sustainable access to safe drinking water and basic sanitation by 2015.
 - Achieve a significant improvement in the lives of at least 100 million slum dwellers by 2020.
- To develop a global partnership for development:
 - Develop further an open, rule-based, predictable, non-discriminatory trading and financial system.

- Address the special needs of the least developed countries, landlocked developing countries and Small Island Developing States.
- Deal comprehensively with developing countries' debt.
- In cooperation with the private sector, make available the benefits of new technologies, especially information and communications.

Each goal has specific targets and dates for achieving the goal. To accelerate progress, the G8 Finance Ministers agreed in June 2005 to provide enough funds to the World Bank, the International Monetary Fund (IMF) and the African Development Bank (AfDB) to cancel \$40 to \$55 billion in debt owed by members of the Heavily Indebted Poor Countries (HIPC). This will allow them to redirect resources to programmes for improving health and education and for alleviating poverty.

As of 2013, progress towards the goals was uneven. Some countries achieved many goals, while others were not on track to realise any. An UN conference in September 2010 reviewed progress and concluded with the adoption of a global plan to achieve the eight goals by their target date. These new commitments target the health of women and children and the worldwide battle against poverty, hunger and disease.

2.2 National Development Strategies

The South African government is committed to addressing poverty and inequality by achieving accelerated and equitable economic growth. To this effect, the government has issued a range of policies and strategies, the following of which are relevant to LED projects in the Thabazimbi LM.

2.2.1 The Constitution of the Republic of South Africa

The basis for all legislation in the country is the National Constitution of the country (Act No 108 of 1996) that is the supreme law upon which all other laws are based. In terms of local government affairs, the Constitution recognises municipalities as a distinctive sphere of government and mandates them to 'give priority to the basic needs of the community, and to promote the social and economic development of the community; and participate in National and Provincial development programmes' (RSA, 1996). The Constitution makes provision for different categories of local government, which the Local Government White Paper (RSA, 1998) defines as:

1. Metropolitan Councils, i.e. the large conurbations with multiple business districts.
2. Municipal Councils, i.e. non-metropolitan local councils.
3. District Councils that oversee groups of municipal councils in urban and rural areas.

The Constitution obliges local government to "encourage the involvement of communities and community organisations in the matters of local government". These principles are reinforced by the above-mentioned Local Government White Paper, which states that, government in South Africa is constituted as National, Provincial and local spheres of government. These three spheres are distinctive, interdependent and interrelated. Local government is a sphere of government in its own right, and is no longer a function of National or Provincial government. It is an integral component of the democratic state.

The Constitution establishes local government as a separate sphere of government responsible for service delivery, and imposes a specific set of responsibilities on National and Provincial spheres of government to support and strengthen the capacity of Municipalities.

Section 152 and 153 of the Constitution defines one of the objectives of local government as follows: “to structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote social and economic development of the community”. Several ‘basic need rights’ of the community are stipulated by the Constitution, which have to be addressed or ensured by government.

While the Constitution places a great responsibility on municipalities to facilitate LED projects, the schedule in the Constitution that lists the functions of Municipalities does not include LED projects. Many people therefore view LED projects as an un-funded mandate for municipalities and therefore funding for municipalities to play this role remains an open policy question.

However, it is envisaged that municipalities play a connector role in respect of LED projects whereby they draw on resources locked in a range of different government support instruments into their localities. For example, municipalities can draw on the support of the Sector Education and Training Authorities (SETAs) to address skills development in their areas. They can draw on the support of the Small Enterprise Development Agency at the Department of Trade and Industry to assist with the retention and growth of enterprises in their area. Besides government support programmes, there are a range of non-governmental support initiatives that municipalities can tap into for resources.

The idea is not for Municipalities to necessarily run programmes themselves but to focus on establishing forums to build partnerships and to network with a range of stakeholders. While the question of formally recognising and funding the LED project function of Municipalities should be pursued, this should not be used as an excuse for municipalities to remain passive in promoting LED projects. Municipalities

should also combine local and district resources and focus on local initiatives especially with regard to developing and implementing a LED Strategy.

LED projects should also not only be viewed as a programme, however everything the municipality does impacts on the local economy. For example, procurement policies can be structured to address the use of local labour, and all infrastructure development should reflect positively on the development of the local economy, whatever its primary purpose.

2.2.2 National Development Plan

The NDP guides decision-making in all spheres of government. Thus, the directives provided in the NDP must be integrated in the Thabazimbi LM LED Strategy, including an emphasis on labour absorption, investment in infrastructure and green industry, and the development of an inclusive rural economy.

The National Development Plan (NDP) was presented by the **National Planning Commission** in 2011 and addresses the Commission’s mandate to *‘take a broad, cross-cutting, independent and critical view of South Africa, to help define the South Africa we seek to achieve in 20 years’ time and to map out a path to achieve those objectives’*. The NDP has since been adopted by government with the intention that its directives will inform strategic decision making throughout South Africa.

The strategic framework for the NDP is based on the following 12 development priorities:

- Promote an inclusive and labour absorbing economy.
- Increase capital spending, specifically on infrastructure.
- Transition to a low-carbon economy.
- Create an inclusive and integrated rural economy.
- Reverse apartheid constraints through spatial planning.

- Improve the quality of education, training, and innovation.
- Invest in quality healthcare for all South Africans.
- Develop a robust social security system.
- Build safer communities and reduce crime.
- Reform the public sector.
- Fight corruption in government.
- Transform society and unite the country.

It is envisioned that by implementing the strategic guidelines and directives outlined in the NDP, South Africa will achieve the **goal of eliminating poverty and reducing inequality by 2030.**

2.2.3 New Growth Path

The New Growth Path is based on the importance of resource prioritisation and stakeholder engagement. It is therefore important that these priorities inform recommendations and guidelines provided in the Thabazimbi LM LED Strategy.

The New Growth Path's (2010) main focus areas are to create decent work opportunities, reducing inequality and to end poverty in South Africa. Government aims to achieve this through a New Growth Path founded on a restructuring of the South African economy to achieve labour absorption and a steady economic growth rate. Government is committed to forging such a consensus and leading the way by:

- Identifying areas where employment creation is possible on a large scale as a result of substantial changes in conditions in South Africa and globally.
- Developing a policy package to facilitate employment creation in these areas, through:
 - A comprehensive drive to enhance both social equity and competitiveness,
 - Systemic changes to mobilise domestic investment around activities that can create sustainable employment.
 - Strong social dialogue to focus all stakeholders on encouraging

growth in employment-creating activities.

The New National growth Path incorporates the Industrial Policy Acton Plan (IPAP2) and various other policies, programmes and strategies. The aim of the New Growth Path is to ultimately create a more developed, democratic, cohesive and equitable economy and society in South Africa.

Achieving the New Growth Path requires that certain key trade-offs' be addressed. This will put emphasis on government's prioritisation to support employment creation, equity and the directions business must move to facilitate a growing economy.

Some key trade-offs' include:

- Between present consumption and future growth, since that requires higher investment and saving in the present.
- Among the needs of different industries for infrastructure, skills and other interventions.
- Among policies that promise high benefits but also entail substantial risks, and policies that are less transformative and dynamic but are also less likely to have unintended consequences.
- Among a competitive currency that supports growth in production, employment and exports and a stronger rand that makes imports of capital and consumer goods cheaper.
- Between the present costs and future benefits of a green economy.

2.2.4 The White Paper on Local Government

Four years after the publication of the RDP document, the new developmental role of local government was further articulated in the White Paper on Local Government (1998), which stressed that, "...the central responsibility of Municipalities (is) to work together with local communities to find sustainable ways to meet their needs and improve the quality of their lives".

In order to achieve 'developmental local government', local authorities are now expected to maximise both social

development and economic growth and to help ensure that local economic and social conditions are conducive for the creation of employment opportunities. In addition, local government is required to take a leadership role, involving citizens and stakeholder groups in the development process, to build social capital and to generate a sense of common purpose in finding local solutions for sustainability. Local Municipalities have thus a crucial role to play as policy-makers, and as institutions of local democracy, and they are urged to become more strategic, visionary and ultimately influential in the way they operate.

Building upon the strategies of the RDP, 'developmental local government' is charged with promoting empowerment and redistribution, and delivering four significant and essentially pro-poor outcomes, namely:

- The provision of household infrastructure and services (such as electricity, water and sewerage), with priority given to the delivery and subsidisation of at least a basic level of services to those who currently have little or no access.
- The creation of liveable, integrated cities, towns and rural areas, in which the spatial legacy of apartheid separation is addressed.
- The achievement of local economic development, in which local government can play an important role in job creation and in boosting the local economy through the provision of business-friendly services, local procurement, investment promotion, support for small businesses and growth sectors.
- Community empowerment and redistribution.

The Local Government White Paper marked a key break from past conceptualisations of local government in South Africa. It translated the objectives for participation and development set out in the RDP and the

mandates outlined in the Constitution into a definable statement on how local government would look and function in the future.

The document clearly argued that 'developmental local government' is a core focus for local government and that these institutions must work together with their local residents to improve economic and social conditions in the areas under their jurisdiction. The policy called on municipalities to become more strategic, visionary and ultimately influential in the way they operate. Municipalities have a crucial role to play as policy-makers, as thinkers and innovators, and as institutions of local democracy.

Building upon the RDP and GEAR, 'developmental local government' is charged with promoting empowerment and redistribution through a number of concrete programmes, including:

- The provision of below-cost services to the poor.
- Supporting community organisations.
- Linking profitable growth and investment with redistribution and development.

2.2.5 National Spatial Development Perspective

The NSDP (2006) is fundamentally tailored at reconfiguring apartheid, spatial relations and implementing spatial priorities in a manner that meets the Constitutional imperative. The NSDP is an indicative tool that guides overall development in all spheres of government. It involves a progressive development agenda based on respective development plans of the national, provincial and local government such as the Integrated Development Plans (IDP), the Provincial Growth and Development Strategies (PGDS) and the Medium Term Strategic Framework (MTSF). It provides feasible methodological grounds and principles for making government decisions on infrastructure investment and development spending more focused and

rational. It necessarily responds to the challenge of economic growth and inclusion by posing the twin concepts of development potential and need as reflected in the poverty gap. It also provides a delineated yardstick suitable for debates about the future development of the national space economy. It proceeds by offering recommendations necessary to bring about optimum alignment between infrastructure and development programmes within localities. It operates in line with the planned national government objectives such as poverty reduction, job creation, sustainable service delivery, integration, rectification and coordination of distorted spatial development. The NSDP, therefore, involves the following:

- A set of principles and mechanisms for guiding infrastructure investment and developmental decisions.
- A shared understanding of the national space economy by describing the spatial manifestations of the main social, economic and environmental trends.
- An interpretation of the spatial realities and the implications for government intervention.

Given the objective to grow the economy, create jobs, address poverty and promote social cohesion, the NSDP assists government in confronting three fundamental planning questions, namely:

- Where should government direct its investment and development initiatives to ensure sustainable and maximum impact?
- What kinds of spatial reforms and arrangements are more conducive to the achievement of the objectives of democratic nation building and social and economic inclusion?
- How can government as a whole capitalise on complementarities and facilitate consistent decision-making; and move beyond mere focus on integration and coordination procedures to establishing processes and mechanisms that would bring about

strategic coordination, interaction and alignment?

The NSDP is also informed by the following principles:

- Rapid economic growth that is sustained and inclusive is a prerequisite for the achievement of other policy objectives, amongst which poverty alleviation is key.
- Government has a constitutional obligation to provide basic services to all citizens (e.g. water, electricity as well as health and educational facilities), wherever they reside.
- Beyond the constitutional obligation identified in Principle 2, government spending on fixed investment should be focused on localities of economic growth and/or economic potential in order to gear up private sector investment, stimulate sustainable economic activities and create long-term employment opportunities.
- Efforts to address past and current inequalities should focus on people, not places.
- In order to overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres.

The NSDP has a critical role to play in reconstructing the historical spatial distortions of the past. It is relevant in surfacing spatial dimensions of social exclusion and inequality in accessing economic and social development projects in communities. This will also accelerate the level of development and contribute to the broader growth and development policy objectives of government.

2.2.6 Policy Guidelines for Implementing Local Economic Development in South Africa

In 2005, the Department of Co-operative Government and Traditional Affairs (CoGTA) released a new policy statement on the topic of LED policy that clearly spells out how LED policy is seen as fitting within the broader parameters of government policy. The document aligns LED projects with the RDP, GEAR, the Micro Economic Reform Strategy and a diverse range of government policies, including Provincial Growth and Development Strategies and Municipal IDPs. The Microeconomic Reform Strategy seeks to address the inequalities in the country and to build on the RDP, by focusing on issues of the geographical spread of activity, integration, black economic empowerment, knowledge-led growth, skills development and state responsiveness. Issues of both community development and growing the economy through appropriate mechanisms and investment feature in the document.

In contrast with the earlier LED policy document, investment promotion features more prominently, as does business retention and support for a range of enterprises and growth sectors, not just the smallest firms. In terms of alignment with current government thinking, it argues the need to support 'both' the first and second economies and working in collaboration with a range of government programmes to achieve this goal. It also argues that LED policy is a key mechanism to close the gap between the 'two economies'.

2.2.7 Broad-Based Black Economic Empowerment Act

The objective of Broad-Based Black Economic Empowerment (BBBEE) (Act No. 53 of 2003) is to substantially increase the number of black people who have ownership and control of new and existing enterprises and the number of black people in executive and senior management of

enterprises. In this Act, "black people" refers to Africans, Coloureds and Indians.

"Broad-based black economic empowerment" means the economic empowerment of all black people including women, workers, youth, people with disabilities and people living in rural areas through diverse but integrated socio-economic strategies that include but are not limited to:

- Increasing the number of black people that manage, own and control enterprises and productive assets.
- Facilitating ownership and management of enterprises and productive assets by communities, workers, cooperatives and other collective enterprises.
- Human resource and skills development.
- Achieving equitable representation in all occupational categories and levels in the workforce:
 - Preferential procurement
 - Investment in enterprises that are owned or managed by black people.

The successful implementation of BBBEE will be evaluated against the following policy objectives:

- Promoting economic transformation in order to enable meaningful participation of black people in the economy.
- Achieving a substantial change in the racial composition of ownership and management structures and in the skilled occupations of existing and new enterprises.
- Increasing the extent to which communities, workers, cooperatives and other collective enterprises own and manage existing and new enterprises and increasing their access to economic activities, infrastructure and skills training.
- Increasing the extent to which black women own and manage existing and new enterprises, and increasing their access to economic activities, infrastructure and skills training.

- Promoting investment programmes that lead to broad-based and meaningful participation in the economy by black people in order to achieve sustainable development and general prosperity.
- Empowering rural and local communities by enabling access to economic activities, land, infrastructure, ownership and skills.
- Promoting access to finance for black economic empowerment.

2.2.8 Comprehensive Rural Development Programme

The Comprehensive Rural Development Programme (CRDP) is an important strategic priority in government's Medium Term Strategic Framework, concerning Local Economic Development. The programme set out to elaborate on past economic issues, socio-economic profiling, community participatory processes and intergovernmental co-operation. The CRDP has been seen as a different approach when compared to other past rural development strategies because it follows a proactive participatory community-based planning approach rather than an interventionist approach to rural development.

The ultimate goals of the CRDP are that equitable and sustainable rural communities will be achieved through the following development initiatives:

- Coordinated and integrated broad-based agrarian transformation.
- Increased rural development.
- Improved land reform programme in rural areas.

2.2.9 National Strategy for the Development and Promotion of Small Business in South Africa

The primary objective of this national policy framework is to create an enabling environment for small enterprises. Given such an enabling environment, it is expected that SMMEs will themselves accept responsibility for the operation, growth and progress of their enterprise.

Key objectives of the National Small-Business strategy are to:

- Create an enabling environment for small enterprises.
- Facilitate greater education of income, wealth and earning opportunities.
- Address the legacy of apartheid-based disempowerment of black business.
- Support the advancement of women in all business sectors.
- Create long-term jobs.
- Stimulate sector-focused economic growth.
- Strengthen cohesion among small enterprises.
- Level the playing fields among bigger and small business as well as between rural and urban businesses.
- Prepare small businesses to comply with the challenges of an internationally competitive economy.

2.2.10 The Department of Co-operative Governance and Traditional Affairs - National Framework for LED Policy in South Africa

The national framework (2006) aims to support the development of sustainable local economies through integrated government action. The action is developmental and stimulates the heart of economy that consists of enterprises and cooperatives that operate in a Local Municipality. This guideline contextualises the trend towards "new institutionalism" that breaks the distinction between economy and society – economic decision making and action are shaped by shared values, norms, beliefs, meanings, rules and procedures of informal and formal institutions of society.

There are nine guiding principles:

- Through developmental approaches, Government has a decisive role to play in the economic destiny of SA.
- LED policy is an outcome of actions and interventions resulting from good governance, constant improvement and integration of national priorities and programmes.

- Inward investment from state or private sources is only effective where potential and competitive advantages are known.
- Coordinated action by government spheres and sectors must be in line with the National Spatial Development Perspective (NSDP).
- Solutions and strategies must be locally owned.
- SA competes globally in a world economy where threats must be minimised and opportunities exploited.
- Private companies, social enterprises and co-operatives form the heart of the economy and have a crucial partnership role to play.
- People are the greatest resource and the skills profile must therefore be improved.
- Local incentives, energy, creativity, leadership and skills can unlock latent economic development potential.

Objectives:

- To shift towards a more strategic approach, rather than attempting to manage numerous non-viable projects.
- To support and stimulate local economies.
- To elevate the importance of local economies in the national economy.
- To fight poverty locally through debates, strategies and actions.
- To improve community access to LED initiatives.
- To improve co-ordination among various role-players involved in LED projects.
- To build greater awareness about the importance and role of localities and regions that plays a role in investment.

2.2.11 Accelerated and shared growth initiative for South Africa (AsgiSA)

The mandate by the South African government in 2004 to half poverty and unemployment by 2014 resurrected commitment in the public sector. Dismal malfunction of the previous highly contentious GEAR to address economic backlogs resulted in the formation of a new

economic strategy, today known as AsgiSA. AsgiSA aims to guide and improve the economic recovery of the country, raising economic growth to 6% and halving poverty and unemployment by 2014. AsgiSA is a micro-economic strategy that strives to accelerate growth. It is a national shared growth initiative that was informed by extensive consultation from all sectors. The two main objectives of AsgiSA include:

- Align efforts by halving poverty by 50% by 2014; and
- To realise annual growth rates that averages 4.5% or higher between 2005 and 2009 and average growth rate of at least 6% of gross domestic product (GDP) between 2010 and 2014.

AsgiSA also recognise the following binding constraints that have been identified as major stumbling blocks to growth and require commitments based on uprooting them:

- Continuous instability and level of the currency.
- The cost, efficiency and capacity of the national logistics system.
- Lack of suitably skilled labour amplified by the impact of apartheid spatial patterns on the cost of labour;
- Obstacles to entry, limits to competition and limited new investment opportunities.
- Regulatory environment and the burden on small and medium businesses.
- Deficiencies on state organisation, capacity and leadership.

Interventions responding to the binding constraints include:

- **Infrastructure programmes:** aimed at improving the availability and reliability of infrastructure services in response to rapidly growing demand through the municipal and provincial infrastructure grant programmes.
- **Sector investment (or industrial) strategies:** To promote private-sector investment sector investment programmes that were identified included tourism, agriculture,

manufacturing, mining and business process outsourcing programmes.

- **Second economy interventions:** Government has already initiated interventions to address deep-seated inequalities and target the marginalised poor, to bridge the gap with the Second Economy, and ultimately to eliminate the Second Economy. One key mechanism is to use the leverage of the First Economy to address the Second Economy. This includes leveraging the increased levels of public expenditure through promotion of small businesses, broad-based empowerment and development of Sector strategies.
- **Macro-economic issues:** The development of a new capital expenditure management information system by National Treasury was introduced to address the issue of poor expenditure and budgeting at macro level.
- **Public administration issues:** The focus of this intervention was to realise a people's contract on economic matters, the effective implementation of agreed BBBEE Charters and leveraging benefits from offsets. On local government and service delivery, focus is placed on addressing skills problems through Project Consolidate; and the Neighbourhood Partnership Grant Programme.
- **Skills and education initiatives:** Skills shortages have been an impediment on infrastructure programmes and private sector investment. The AsgiSA response ranges from medium-term educational interventions to raise the level of skills in areas needed by the economy, to immediate measures to acquire skills needed for the implementation of AsgiSA projects. Programmes identified by AsgiSA to address the skills and education backlog, include the QUIDS-UP programme, the Maths and Science (Dinaledi) Programme and the Joint Initiative for Priority Skills Acquisition (JIPSA).

JIPSA was tasked to identify urgent skills needed and to provide feasible, sound and effective remedies. Major remedies include special training programmes, attracting South Africans currently working abroad, bringing back retirees, mentoring and overseas placement of South African trainees to fast track their development and encouraging highly skilled emigrants back into the mainstream employment.

2.2.12 The Municipal Demarcation Act

The Local Government Municipal Demarcation Act (1998) was concerned with determining new municipal boundaries throughout South Africa, a process undertaken between 1998 and 2000. This act sought to eliminate small and ineffective local councils through combining neighbouring or near local authority areas under a single jurisdiction, and also assigned rural areas surrounding urban centres to the control of the latter. This was undertaken to ensure economic efficiency, such that within municipal boundaries the municipality would be capable of fulfilling its constitutional obligations, including the promotion of social and economic development, integrated development, effective local governance and the incorporation of poorer communities under the jurisdiction of wealthier local authorities. Thus, this act indirectly laid a basis for pro-poor development through ensuring fairer spatial distribution of resources.

2.2.13 The Municipal Structures Act

The Municipal Structures Act (1998) provides for the three categories of Municipalities to operate within the newly demarcated areas and assigns them specific powers and duties. The duties and powers are based on the Constitution and are generally of a service type nature, but include the following LED-type foci, namely: tourism, planning, public works, infrastructure development and markets. In

undertaking such duties municipalities are expected to promote economic and social development in the area under their jurisdiction. The Act also allows for the participation of traditional leaders within local government administration in areas where they reside. It also mandates district councils to assist municipalities located within their areas of jurisdiction through integrated development planning, bulk infrastructure development, capacity development and the equitable distribution of resources.

2.2.14 The Municipal Systems Act

The Municipal Systems Act (2000) provides for the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of communities, and ensure universal access to essential services that are affordable to all. The Act goes on to state that it describes the core processes or elements that are essential to realising a truly developmental local government system. These include participatory governance, integrated development planning, performance management and reporting, resource allocation and organisational change. This Act has very defined implications for LED policy in terms of the operational procedures, powers and management systems discussed that can be regarded as mechanisms to promote pro-poor development. Municipalities are specifically required to involve communities in the affairs of the municipality, to provide services in a financially and sustainable manner and to promote development in the municipality.

In terms of service provision, municipalities are required to prioritise the basic needs of the community and to ensure that all residents have access to a minimum level of basic services. A LED policy may be promoted through the provision of special tariffs for commercial and industrial users.

A further LED provision is that municipalities may establish service utilities or acquire ownership of a company that renders a municipal-type service. The parallel White Paper on Municipal Service Partnerships details how municipalities can enter into partnership arrangements with the private, public, community and NGO sectors to improve service delivery in a specific area.

A key facet of the Act is the detail provided on the government's commitment to the encouragement of participation. The Act spells out the same powers and duties as detailed in the Structures Act and obligates municipalities to undertake developmentally orientated planning, requiring municipalities to develop Integrated Development Plans. These plans should involve widespread consultation with communities and other stakeholders and should link and co-ordinate all municipal development plans, municipal resources, capacity and budgets and be compatible with national and provincial planning requirements. In terms of service provision, municipalities are required to prioritise the basic needs of the community and to ensure that all residents have access to a minimum level of basic services. The Act clearly provides the mandate for participatory governance in local government affairs and development matters.

2.2.15 Municipal Finance Management Act

The object of this Act (2003) is to secure sound and sustainable management of the fiscal and financial affairs of municipalities and municipal entities by establishing norms and standards and other requirements for:

- Ensuring transparency, accountability and appropriate lines of responsibility in the fiscal and financial affairs of municipalities and municipal entities.
- The management of their revenues, expenditures, assets and liabilities and the handling of their financial dealings.

- Budgetary and financial planning processes and the co-ordination of those processes with the processes of organs of state in other spheres of government.
- Borrowing and the handling of financial problems in Municipalities.
- Supply chain management and other financial matters.

The institutions to which the Municipal Finance Management Act applies, as stipulated in Section 3 of the Act, are all municipalities, all municipal entities and national and provincial organs of state to the extent of their financial dealings with municipalities. It is therefore necessary that local municipalities adhere to the financial procedures presented in the Act when engaging in financial matters relevant to any LED activities.

The Act makes reference to municipal bank accounts, cash, investment and asset management, municipal budgets and debt management. Furthermore the Act stipulates the financial responsibilities of the mayor and municipal councillors. All sections of this Act should be adhered to when implementing a LED policy.

2.2.16 Industrial Policy Action Plan V (IPAP)

The Thabazimbi LM has a strong mining sector with identified potential for growth through manufacturing. This potential may be realised through the adoption and implementation of strategic directives presented in the IPAP V. Additionally, by aligning the Thabazimbi LM LED Strategy to the IPAP V the Municipality will ensure coordinated development and enhance the prospect of attracting public finance and support.

The IPAP is an annual series of industrial strategies aimed at promoting diversification beyond the current reliance on traditional commodities and non-tradable services. The purpose of the IPAP is to **expand value-added sectors, promote labour absorbing industries,**

increase economic participation by historically disadvantaged individuals and expand into regional markets.

The fifth iteration of IPAP was issued in April 2013 and addresses the challenges, opportunities and policy changes that have occurred in the previous year. The document is specifically concerned with promoting the following industries, identified as having long-term growth potential:

- Metal fabrication and beneficiation, and equipment manufacturing.
- Clothing, textiles, leather, footwear, and crafts.
- Advanced and technology based manufacturing.
- Green and energy saving industries.
- Agro-processing and biofuels.
- Plastics and pharmaceuticals.
- Automotive components and vehicles.
- Forestry, paper, pulp and furniture.
- Tourism related industries.

It is envisioned that a collective commitment among government, labour, business and civil society, will enable the rejuvenation of these and other productive industries, providing meaningful employment, attracting investment and achieving accelerated economic growth.

2.2.17 Regional Industrial Development Strategy (RIDS) and Action Plan

The RIDS addresses LED policy by encouraging rural and community development through the identification of latent economic potential, support for key industries, comparative advantages and strategic investment. These guidelines will be considered in the development of a spatially integrated LED Strategy for the Thabazimbi Local Municipality.

The Regional Industrial Development Strategy (RIDS) presents a comprehensive framework for industrial development in South Africa and builds on the outcomes of the National Spatial Development

Perspective (NSDP). The RIDS therefore advances the understanding that the economic development landscape is not equal across the country and emphasises the need for **focussed growth** based on proven economic development potential.

The strategic intent of the RIDS is:

- To stimulate investments that will promote sustained high growth in a local community.
- To focus on a region's potential and identify what local stakeholders can do to ensure their local community reaches its potential.
- To assess a region's **comparative advantage**, identify new or existing market opportunities for businesses, and reduce obstacles to business expansion and creation.
- To have an impact on the economic viability Districts.
- To create new jobs, help communities retain existing jobs and help businesses access capital.

To contribute to a broader national framework with a spatial dimension in order to increase each region's global competitiveness.

2.2.18 Comprehensive Rural Development Programme

The CRDP provides recommendations and opportunities for LED projects in rural areas. This includes an emphasis on improved service delivery, farmer support, infrastructure investment and access to finance. These recommendations will be incorporated in the Thabazimbi LM LED Strategy, especially with regard to economic growth in rural areas.

The Comprehensive Rural Development Programme (CRDP) is a national collective strategy to fight poverty, hunger, unemployment and lack of development in rural areas. The Strategy is premised on three development phases:

1. **Phase One** - prioritises meeting the basic needs of rural residents.

2. **Phase Two** - driven by large-scale infrastructure development.
3. **Phase Three** - emergence of rural industrial and credit financial sectors driven by small, medium and macro-enterprises and village markets.

The common thread among the three phases of the CRDP is the **development of agriculture**. To this effect, government has pledged over R2.6 billion in conditional grants to provinces over the medium term. This will be used for agricultural infrastructure, training, advisory services and marketing, and for upgrading agricultural colleges. Government also supports the provision of agricultural implements and input to support emerging farmers, while making agricultural loans accessible and ensuring quality agricultural extension services.

2.2.19 National Tourism Sector Strategy

The National Tourism Sector Strategy was developed by the Department of Tourism in realisation of the sector's potential to bring forth economic growth and employment creation. The strategy seeks to build on the already positive tourism opportunities and situation in South Africa and seeks to strengthen the sector in order to make South Africa one of the top 20 tourism destinations by 2020 (Vision, p.6).

The strategic objectives and targets are set to be achieved within the framework of the following themes:

Theme 1: Tourism Growth and the economy

- To grow the tourism sector's absolute contribution to the economy.
- To provide excellent people development and decent work within the tourism sector.
- To increase domestic tourism contribution to the tourism economy.
- To contribute to the regional tourism economy.

Theme 2: An enhanced visitor experience:

- To deliver a world-class visitor experience.
- To entrench a tourism culture among South Africans.
- To position South Africa as a globally recognised tourism destination brand.

Theme 3: Sustainability and good governance:

- To achieve transformation within the tourism sector.
- To address the issue of geographic, seasonal and rural spread.
- To promote 'responsible tourism' practices within the sector.
- To unlock economic development in tourism at a local government level.

These strategic objectives and targets are set to be developed with the following strategic clusters and thrusts:

CLUSTER 1: Policy, strategy, regulations, governance, and monitoring and evaluation:

- Research, information and knowledge management
- Policy and legislative framework
- Collaborative partnerships

CLUSTER 2: Tourism growth, development and demand

- Marketing and brand management
- Domestic tourism
- Regional tourism
- Business and events tourism

CLUSTER 3: Tourism growth, development and supply

- Relevant capacity building
- Niche-product development and rural tourism
- Product information
- Responsible tourism
- Investment promotion
- Quality assurance

CLUSTER 4: People development

- Transformation
- Decent work
- Service excellence
- Community beneficiation

CLUSTER 5: Enablers of growth

- General tourism awareness among South Africans
- Safety and security
- International and regional airlift
- Ground transportation
- Domestic airlift

The National Tourism Sector Strategy provides the framework that forms the umbrella under, which tourism initiatives on national, provincial, district and local level should be adhere to. The TLM already has a strong tourism sector and can thus correlate with this policy and adapt its own tourism initiatives accordingly.

2.2.20 The Mining Charter

The Broad Based Socio Economic Empowerment Charter for the South African Industry is a government instrument designed to effect sustainable growth and meaningful transformation of the mining industry. The Mining Charter seeks to achieve the following objectives:

- To promote equitable access to the nation's mineral resources to all the people of South Africa.
- To substantially and meaningfully expand opportunities for HDSA to enter the mining and minerals industry and to benefit from the exploitation of the nation's mineral resources.
- To utilise and expand the existing skills base for the empowerment of HDSA and to serve the community.
- To promote employment and advance the social and economic welfare of mining communities and major labour sending areas.
- To promote beneficiation of South Africa's mineral commodities.
- Promote sustainable development and growth of the mining industry.

Elements of the Mining Charter include:

- Ownership
- Procurement and enterprise development
- Beneficiation
- Employment equity
- Human resource development
- Mine community development
- Housing and living conditions
- Sustainable development and growth
- Monitoring and evaluation

2.3 Provincial Development Strategies

2.3.1 Limpopo Economic Growth and Development Strategy (LEGDS)

The Thabazimbi LM LED Strategy will pursue the objective of accelerated and inclusive growth while prioritising development through agriculture, tourism, mining, green industry, job creation, skills development, rural poverty alleviation and small business development.

The LEGDS was developed as a fundamental document to align the province's growth and development direction to ultimately provide a framework for all spheres of government within the Limpopo province. The plan identifies areas that are able to sustain the province's economy and those that require immediate interventions. The document gives specific guidelines in order to address issues that hinder development and introduce initiatives and projects that seek to eradicate the imbalances of the past. Government actions to accelerate growth and development are set out within key action programmes. These programmes are:

- Industrial development programme: priority growth sectors
- Mining and minerals beneficiation industries
- Enterprise development: SMMEs and Cooperatives Development Programme
- Regional economic development and integration programme

- Public infrastructure investment programme
- Water resource development and demand management
- Agriculture and rural development programme
- Health care development programme
- Safety and security
- Environmental and natural resources development programme
- The green economy and creation of green jobs
- Corporate governance
- ICT and innovation enabled industries

Outlined within the document is the province's significant development potential with regard to agriculture, tourism and mining (p.7) that is in line with the current situation in the Thabazimbi Local Municipality, as these sectors are also important for the development of the TLM.

2.3.2 Limpopo Tourism Strategy

The Limpopo Tourism Strategy identifies nine cluster tourism developments namely those that are situated in the Waterberg DM, together with their opportunities, will be investigated further and integrated in the Waterberg LED Strategy.

The Limpopo Tourism Strategy, similar to the PGDS, focuses on the concept of tourism clusters and their importance for economic development in the Limpopo province. This cluster approach is a method used to raise international competitiveness in the province and to combine it with public and private contributions to have greater impact. The aim is to increase the contribution from tourism to provincial GDP. The tourism strategy further indicates that tourism clusters intend to:

- Promote private and public partnerships
- Attract more tourists than isolated tourism products
- Keep a tourist as long as possible in the province

The Limpopo Tourism Strategy identified nine tourism cluster developments as listed below:

- South East Bushveld
- Northern Bushveld
- Waterberg Central
- Polokwane
- Upper Lethaba
- Limpopo Low-veld
- Sekhukhune land
- North East Limpopo
- Limpopo River Valley

The Thabazimbi LM Central tourism cluster is situated within the Thabazimbi LM, and since the LM has an advantage in this sector, tourism development becomes an important driver for economic growth in the TLM.

2.3.3 Provincial Green Economy Plan

The Provincial Green Economy Plan has been developed in order to facilitate a new way of thinking, planning and living within the Limpopo province. It focusses on developing short, medium and long-term goals in order to realise the potential of the province for becoming the national pioneer in the Green Economy. The goals set out in the strategy are as follows:

Short-Term Goals:

- Generate jobs
- Improve environmental quality

Medium-Term Goals:

- Create enabling conditions for green growth
- Change behavioural and production patterns

Long-Term Goals:

- Build a new economic/environmental paradigm for Limpopo

These goals will be implemented within the following key focus areas:

- Sustainable production and consumption

- Water management
- Sustainable waste management practices
- Clean energy and energy efficiency
- Resource conservation and management
- Agriculture, food production and forestry
- Green buildings and the built environment
- Sustainable transport and infrastructure
- Green municipalities
- Cross-cutting

The Provincial Green Economy Plan has also outlined the envisaged hierarchy of interventions in order to streamline the process for effectiveness and practical implementation by different spheres of government: These interventions are:

- Immediate policy decisions and enforcement in order to start green economy practices
- Short to medium-term legislation and policy review and coordination
- Low capital investment and long-term sustainability projects with huge potential for job creation
- Long-term industrial developments
- Long-term human resource development

This framework for the development of a green economy within the Limpopo province assists the Thabazimbi LM in structuring local economic development initiatives and functions. In light of the Thabazimbi LM's sectoral strengths and locality, it provides ample opportunity to contribute significantly to the provincial goal of becoming the green economy pioneer in South Africa.

2.3.4 Department of Agriculture Limpopo Province Strategic Plan 2005/2006

The Strategic Plan for the Department of Agriculture is an essential tool for planning and resource allocation. The aim of the plan is to strategically mobilise, distribute and utilise those resources equitably and

efficiently to achieve the four Government objectives namely:

- Growing the economy
- Job creation
- Economic empowerment
- Poverty alleviation

The Department of Agriculture has identified 12 key strategic programmes areas to contribute to economic growth and development in the Province. The identified areas are:

- Restructuring of State Assets to empower farmers, communities and workers through Revitalisation of Smallholder Irrigation Schemes (RESIS) as well as projects under the Agricultural Rural Development Corporation (ARDC).
- Promotion and implementation of Agri BBEE.
- Development and implementation of succession planning based on youth infusion into the agricultural sector.
- Promotion and development of appropriate research based production and value adding technologies for successful agri-businesses.
- Redistribution of agricultural land, capacitating beneficiaries and promoting sustainable commercial enterprises.
- Sustainable Graduating Poverty alleviation and household food security and nutrition strategies.
- Promotion and establishment of reliable information and communication strategy through information technology for knowledge and information sharing.
- Formation of farmer based commodity associations and other agri-business entities for farmer support to ensure full participation in local economic development opportunities.
- Provision of appropriate advisory support to develop and strengthen capacity of commodity association and other farmer formations.
- Promotion of sustainable natural resource utilisation and agricultural land use management.

- Animal production and health to improve livestock and also control animal diseases.
- Human Resource Development to increase knowledge, skills and competency of motivated officials.

The vision for the plan is a united and prosperous agricultural sector where people, livelihoods and natural resources are in perfect balance. Its mission is to contribute to the economic growth of the Province through sustainable agricultural sector and food security programmes for a better life for all.

2.3.5 Limpopo Employment Growth and Development Plan

The Limpopo Employment, Growth and Development Plan [LEGDP] has specific programmes that are designed to achieve structural change in critical areas of the provincial economic. Accordingly, it is designed to pull together in an accessible manner the great variety of actions that constitute a successful delivery. For this reason, the LEGDP pools the input of all three tiers of provincial government, traditional leaders, women, youth, people living with disabilities, the private sector, labour federations, NGOs, and other stakeholders' tactical initiative. In most cases, the provincial government will have primary responsibilities in many areas. In essence it assists the province to be able to make strategic choices in terms of prioritising catalytic and high impact initiatives as a way of responding to the MTSF strategic thrusts.

It must be understood that in the absence of a long-term strategy for the province, the LEGDP is designed to form a solid base in such a line that it is constructed as an implementable plan, which will culminate in a long-term strategy. Therefore, the plan will make every effort to move towards the development of the 2030 provincial growth and development strategy and The Limpopo Vision 2030.

Key action programmes identified in the Limpopo Employment growth and development plan include:

- Industrial Development Programme
- Mining and minerals beneficiation industries
- Enterprise development: SMME and cooperatives development programme
- Regional Economic Development and Integration Programme
- Public Infrastructure Investment Programme
- Water Resource Development and Demand Management
- Agriculture and Rural Development Programme
- Education and Skills Development Programme
- Health Care Development Programme
- Safety and Security
- Environmental and Natural Resources Development Programme
- Corporate Governance
- ICT and Innovation Enabled Industries

2.3.6 Agriculture and Rural Development Programme

The key strategic challenges identified by the Agriculture and Rural Development Programme are:

- Extension services
- Infrastructure
- Use of limited resources
- Climate change
- Collapsing of land reform projects
- Legislation and policies
- Land claims
- Access to national markets

The key strategic interventions proposed by the programme suggest that the target clients are farmers, who have four distinct classifications:

- Food insecure households
- Subsistence and emerging farming
- Profitable commercial small-scale farming
- Profitable large-scale farming.

The province must consider recruiting well trained black agricultural entrepreneurs for farming.

Food insecure households

Appropriate interventions in this sector should be aligned to the specific objective of the sector, namely food security. Agricultural interventions must focus on:

- Mobilisation of the poor to engage in agricultural production through a facilitated process of self-reflection.
- Low-risk, low-cost vegetable and fruit production in the homestead yard, and food processing and storage techniques (mainly indigenous).
- Explore wild fruit and vegetable to venture into new agricultural products.
- Homestead rainwater harvesting and re-use of grey water.
- Basic training in modern commodity production techniques, mainly in dry-land fields (typically 1-2 hectare).
- Mobilisation of commodity-based extension services, recognition and support of households' efforts.

Subsistence and emerging farming

The specific objectives of subsistence and emerging farmers are income generation self-development. In this context, the LDA intervention strategies must focus on:

- Integrating modern and indigenous production techniques.
- Integrating modern and indigenous storage techniques.

Profitable small-scale commercial farming

The profitable small-scale commercial farming revolves around profit making, understanding of various components of managing the entity and seeking opportunities for increasing profits. The specific objectives of profitable small-scale farmers include improved profit; simplified management; and economic growth.

In this context, agricultural intervention strategies should focus on the following support:

- Technical issues
- Institutional issues
- Communication and network issues
- Marketing issues
- Logistic and productive infrastructural support

2.4 Waterberg District Municipality Development Strategies

2.4.1 Waterberg Spatial Development Framework (SDF)

The Waterberg DM SDF focusses on the following, throughout the document (SDF 2013:15):

- The need for alignment among different spheres of government
- The need for integration across different sectors
- The need for public participation
- The restructuring of current spatial forms to address:
 - Equity/justice
 - Sustainability
 - Efficiency with regard to functioning and servicing
 - The creation of integrated complete settlements
 - The protection of the environment
 - Redistribution to benefit the marginalised
 - Spatial resilience
 - Spatial quality

It further proposes the following two flagship projects that the Waterberg DM can implement:

- Green technology
- Waterberg biosphere

2.4.2 Waterberg Integrated Development Plan (IDP)

The IDP is a five year plan and is in effect the development plan of all spheres found within the District Municipality. The IDP

focusses on addressing key issues that require attention within the future five-year period. The Waterberg IDP of 2012/2013 has identified the following six Key Performance Areas and their strategic objectives:

KPA 1: Spatial Rationale

- To ensure optimal utilisation of and adherence to space economy.

KPA 2: Basic Services / Service Delivery

- To coordinate and monitor infrastructure development for provision of access to services.
- To preserve and protect natural resources and promote public health.

KPA 3: Local Economic Development

- To ensure optimal utilisation of and adherence to space economy.
- To empower the community and instil sense of ownership of development.

KPA 4: Municipal Finance Management and Viability

- To effectively manage finances and improve financial sustainability.

KPA 5: Good Governance and Public Participation

- To ensure coordinated developmental planning and implementation.
- To empower the community and instil a sense of ownership for development.

KPA 6: Municipal Institutional Transformation and Development

- To develop and implement integrated management and governance systems.
- To ensure coordinated developmental planning and implementation.

As can be seen, KPA 3 has a direct influence on the LED of the Waterberg District and its orientation towards collaborating with the LED Strategy. The following LED challenges have been identified by the IDP 2012/2013:

- Limited community involvement

- Inadequate education and training
- Inadequate water supply to cater for communities and investment initiatives
- Spatial planning and land use management impediments
- Inadequate LED personnel in Local Municipalities
- Insufficient funds for the LED unit and a lack of infrastructure for tourism development (e.g. visitor information centres)
- Inadequate LED staff capacity

The Waterberg DM IDP 2012/2013 indicates that these challenges need to be addressed in order for the local economy to be developed effectively. It also realises that most of the potential for local economic development lies within the mining, agricultural and tourism sector and, as such, strategies to enhance these spheres should be encouraged and developed.

2.5 Local Development Strategies

LED policy may be described as an outcome, based on local initiative and driven by local stakeholders. It involves identifying and using local resources, ideas and skills to stipulate economic growth and development. The aim of LED policy is to create employment opportunities for local residents, alleviate poverty, and redistribute resources and opportunities for the benefit of all local residents. The LED document is therefore a systematic plan to attain the abovementioned objectives. Not all Local Municipalities discussed in the following section has a LED plan.

Each LED Strategy describes the economic profile of a specific region. In addition, it indicates possible development opportunities in certain sectors. This is known as a sectoral opportunity analysis and from this analysis programmes and projects can be identified for various sectors to foster economic growth and development. In conclusion, in the LED Strategy an implementation plan is described to guide the management to

successfully implement the programmes and projects identified.

2.5.1 Thabazimbi LM Integrated Development Plan

The IDP is a five-year plan and is in effect the development plan of all spheres found within the Thabazimbi Local Municipality. The IDP focusses on addressing key issues that require attention within the future five-year period. The Thabazimbi LM IDP of 2013/2014 has identified the following six Key Performance Areas and their strategic objectives:

KPA 1: Spatial Rationale

- *Service Norms and Standards (Spatial Planning)*
 - Ensure sustainable integrated human settlement
- *LED Implication:*
 - To ensure optimal utilisation of and adherence to space economy.

KPA 2: Basic Services and Infrastructure Development

- Ensuring that Municipalities meet the basic service needs of communities
- The output objectives set-out on outcome nine in this document's perspective are as follows:
 - Improve universal access to basic services by 2014:
 - Water from 82.5% to 100%
 - Sanitation from 82.5 % to 100%
- *LED Implication:*
 - To coordinate and monitor infrastructure development for provision of access to services.
 - To preserve and protect natural resources and promote public health.

KPA 3: Local Economic Development

- The LED Strategy is in place and aligned to the District LED Strategy, EPWP, AsgiSA, PPP, LEGDP and NSDP.
- Service Norms and Standards Enterprise (SMMEs).
- Create 5 104 EPWP jobs.
- Procure 70% of service.

- Employment age must be above 15 years.
- Green Fund.
- Jobs Funds.
- New Growth Path.
- Service Norms and Standards Enterprise (Mining).
- Mining companies must conduct assessment to determine the developmental needs analysis for their contribution to companies and identify projects within the needs analysis for their contribution to community development in line with the IDP, the cost of which should be proportionate to the size of investment.
- Ensure that multinational supplier of goods annually contribute a minimum of 0.5% of annual income generated from local mining communities into a social development fund.
- Service Norms and Standards Enterprise (Agriculture).
- One (1) Extension Officer serves 250 farmers.
- **LED Implication:**
 - To ensure optimal utilisation of and adherence to space economy.
 - To empower the community and instil sense of ownership of development.

KPA 4: Good Governance and Public Participation

- The IDP Process Plan was adopted by Council on 05 September 2012. The Draft IDP for 2013/14 was adopted on the 28 March 2013.
- Service Norms and Standards (Good Governance and Community Participation)
 - 100% community participation
- **LED Implication:**
 - To ensure coordinated developmental planning and implementation.
 - To empower the community and instil a sense of ownership for development.

KPA 5: Finance Viability

- Service Norms and Standards (Financial Management)
- All money owing by entity is paid within 30 days.
- All revenue due to the entity is collected.
- Monitor on monthly basis the performance of contractor under the contract or agreement.
- Municipality may enter into Private Partnership Agreement.
- Prepare annual financial statement within two months after the end of the financial year.
- Supply Chain Management Policy implementation must at least be reviewed annually.
- **LED Implication:**
 - To effectively manage finances and improve financial sustainability.

KPA 6: Municipal Transformation and Organisational Development

- The municipality improved a lot in terms of addressing employment equity e.g. fourteen (14) Divisional Heads appointed, three black females and two white females.
- Service Norms and Standards
- Functional Organogram
- **LED Implication:**
 - To develop and implement integrated management and governance systems.
 - To ensure coordinated developmental planning and implementation.

2.5.2 Agricultural Development Strategy for Thabazimbi Local Municipality 2012

The Agricultural Development Strategy for the Thabazimbi Local Municipality is a 10 Point Strategy for the Agricultural Development in Thabazimbi LM. The 10 points are:

- | | |
|------------------------------|-----------------------------------|
| • Capacity Building | • Agro-tourism |
| • Livestock sub-sector | • Agro-processing |
| • Horticulture sub-sector | • Agro-logistics |
| • Industrial crop sub-sector | • Cross cutting issues |
| • Game farming | • Monitoring and Evaluation (M&E) |

SECTION 3: Socio-Economic Analysis

The Thabazimbi Local Municipality (LM) is located in the Limpopo Province, which is the northernmost province of South Africa (Map 1). The Thabazimbi LM is an isiZulu name meaning "iron mountain," a term stemming from the time when the Zulu and Nyasa speaking people worked on this mountain to mine iron.

The purpose of this section is to provide a detailed profile of the Thabazimbi LM in 2014 and offer an introduction into the geographical context of the region. This section also addresses a range of socio-economic indicators including demographic trends, housing and service delivery, education and skills development, and economic output and employment. The information and analysis presented below will inform decision making around the LED policy and assist with the identification of development opportunities and programmes.

3.1 Geographical Location

The Thabazimbi LM is about two hours' drive from Pretoria and is part of the Waterberg District. Lephalale (Ellisras) is situated not far from the Thabazimbi LM in Limpopo

Map 1 - Thabazimbi Local Municipality within Limpopo



where the largest dry cooled power station in the world called Matimba is located. Other tourist attractions include the Art Weekend at Thandanani and some of the most fascinating San Artwork to be seen in South Africa.

3.2 Demographic Trends

The demographic trends of a region affect the economic, as well as social and spatial development by dictating the demand for employment, infrastructure and services. The Thabazimbi LM will be compared to the wider region with regards to its demographic profile in this sub-section.

Table 1 - Population Size - 2001, 2011 and 2014

Study Area	Population Size			Average Growth Rate
	2001 ^a	2011 ^a	2014 ^b	
Limpopo	4 995 106	5 404 866	5 580 960	1,17%
Waterberg DM	605 671	679 336	704 394	1,42%
Thabazimbi LM	65 487	85 232	89 580	2,42%
Lephalale LM	86 264	115 766	120 798	2,91%
Mookgopong LM	34 467	35 641	36 995	1,07%
Modimolle LM	68 942	68 516	70 747	0,54%
Bela-Bela LM	52 230	66 498	69 617	2,33%
Mogalakwena LM	298 282	306 683	316 653	0,73%

Source: a) Stats SA Census 2001 & 2011, b) Projections based on Standard Regional Quantec Research 2014

3.2.1 Population and Growth Trends

The rate of economic growth can be significantly affected by rapid changes in population growth through factors such as fertility rates and migration. A well planned and integrated economic and population policy provides the best results in declining economic growth as well as increasing population growth rates. Limpopo has experienced very low population growth during the period of 2001 and 2014. Consequently, all sections of the Limpopo population are affected by high levels of unemployment and poverty. This caused a growing migration of citizens from poverty-stricken rural areas to large metropolitan areas where many of them ended up in growing squatter settlements.

Table 1 illustrates that the population size of the Thabazimbi LM was approximately 65,487 people in 2001 and 85 232 in 2011. The population is expected to grow to about 89 850 people by 2014. The Mogalakwena LM is the largest LM with an expected population of almost 320 000 people by 2014.

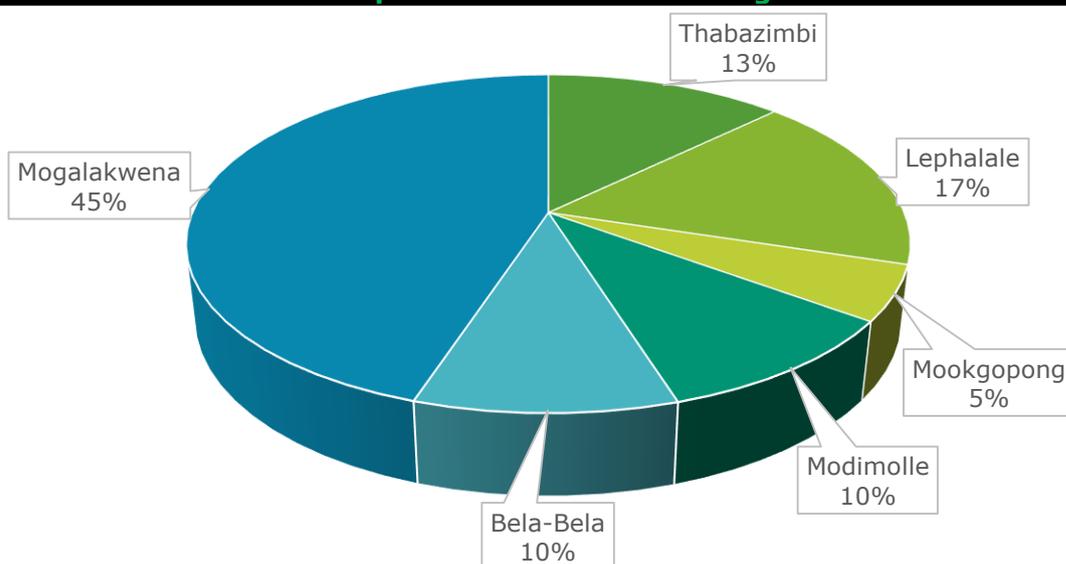
From Figure 1 it can be seen that Lephalale is the second largest (17%) local municipality in the District and the

Thabazimbi LM the third largest at 13% of the District Population. The population size of Bela-Bela, Modimolle and Mookgopong combined accumulates to 25% of the District.

Population numbers in the Thabazimbi LM have been increasing since 1995, as illustrated by Figure 2. In 1995, the population of the Local Municipality stood at 61,000 people and increased to almost 90,000 by 2014. All other LMs experienced an increase in population numbers over the same period.

Figure 3 illustrates the population growth levels between 1995 and 2014 for the Main Places (MP) in the Thabazimbi LM. Population levels of the majority of the Main Places in the Thabazimbi LM have remained constant over the whole period at levels well below 5000 people. Three areas have shown some movement, namely, the Thabazimbi NU, Dwaalboom and Northam B. The most significant decline was noticed in the Thabazimbi NU, which has decreased from around 35,000 people (1995) to approximately 15,000 people (2014). The largest increase in the population was recorded by Dwaalboom and Northam B, both of which expanded by between 15,000

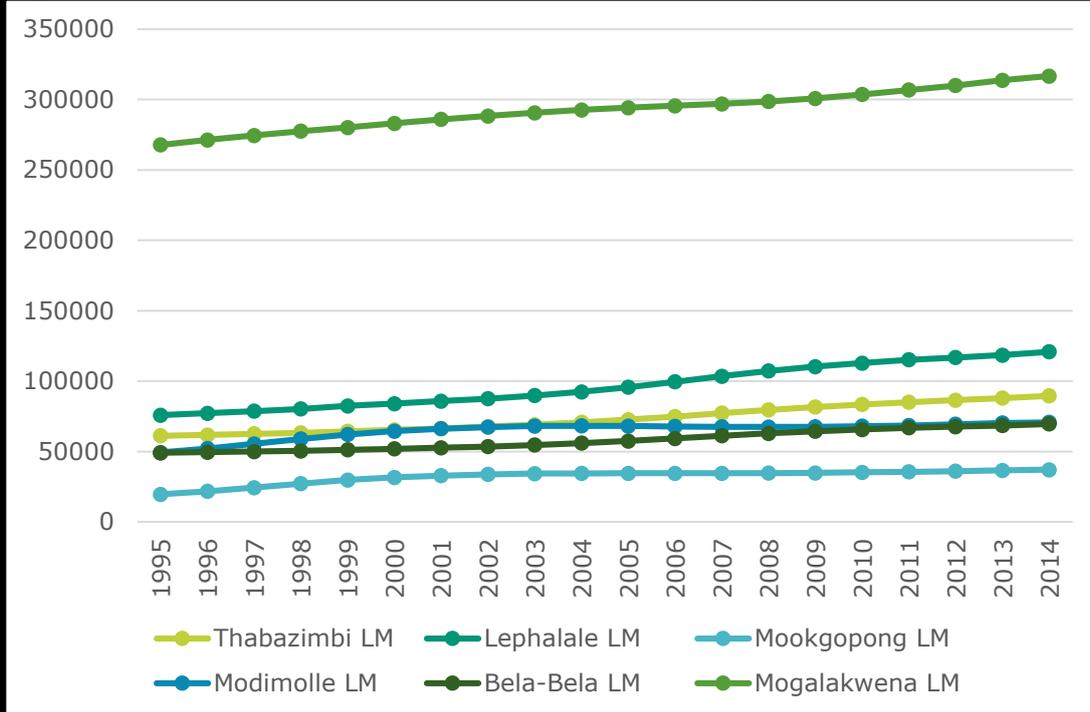
Figure 1 – Distribution of Population within Waterberg in 2014



Source: Standard Regional Quantec Research 2014

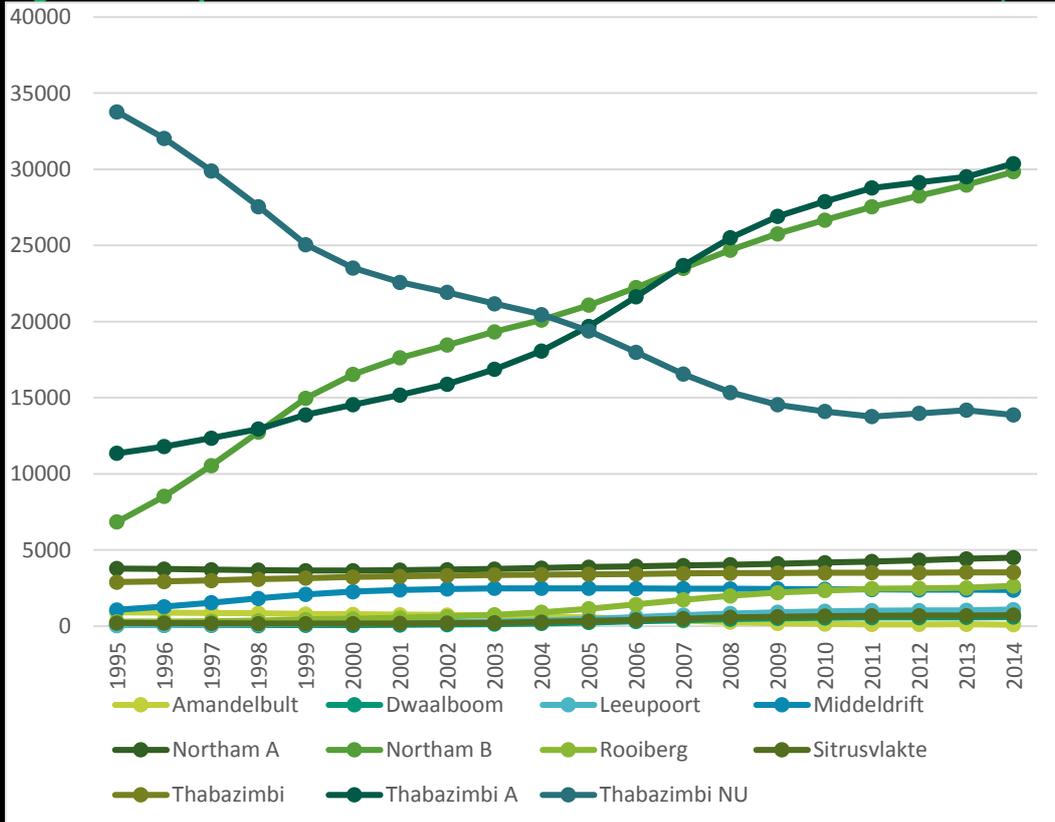
to 25,000 people respectively to 30,000 people by 2014.

Figure 2 – Population Size of LMs in the Waterberg DM, 2014



Source: Standard Regional Quantec Research 2014

Figure 3 - Population Size of Main Areas within the Thabazimbi LM, 2014



Source: Standard Regional Quantec Research 2014

Figure 4 shows that the three Main Places within the Thabazimbi LM that accumulates to 82% of the population are:

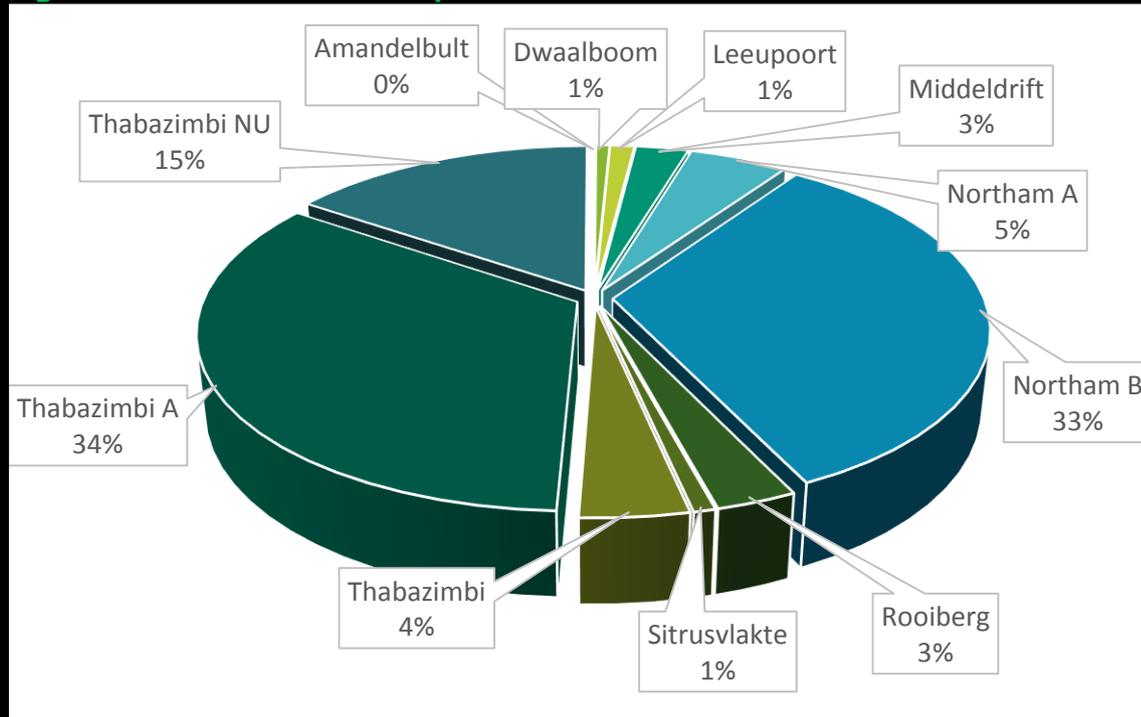
1. Thabazimbi A (34%)
2. Northam B (33%)
3. Thabazimbi NU (15%)

The remaining 18% of the Municipality's population is distributed across the rest of the seven Main Places.

3.2.1.1 Household population

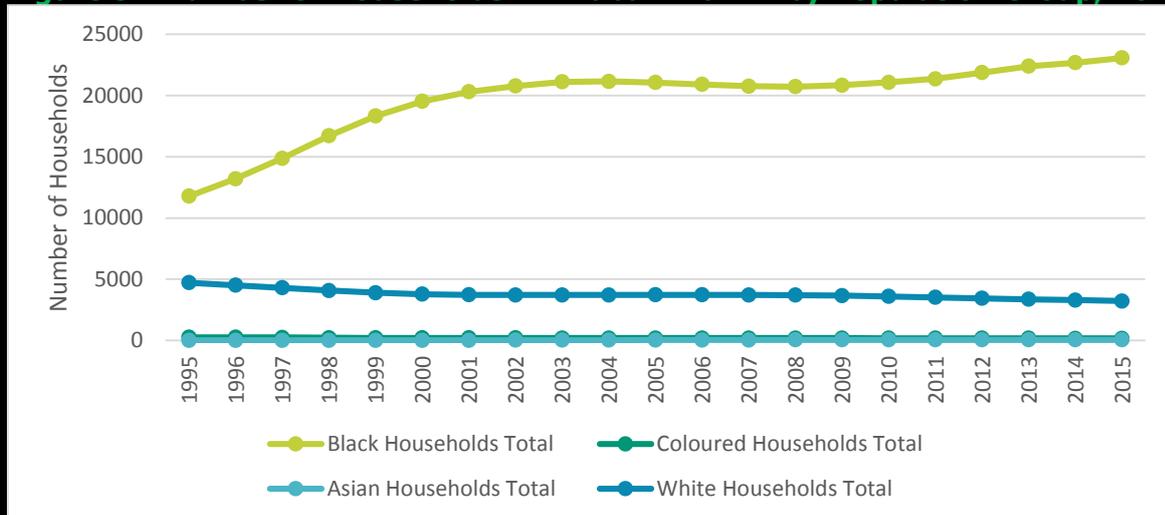
The size of the population and the number of households are key considerations in determining the current and future needs of the Thabazimbi LM community. These needs are expressed in the demand for economic and social services, including water, sanitation, electricity, housing, healthcare and jobs.

Figure 4 – Distribution of Population within the Thabazimbi LM in 2014



Source: Standard Regional Quantec Research 2014

Figure 5 - Number of Households in Thabazimbi LM by Population Group, 2014



Source: Standard Regional Quantec Research 2014

The Thabazimbi LM has a surface area of 11,190 km² and a population density of about eight people per km². Based on the 2011 Census, the Thabazimbi LM has an estimated number of 26,174 households in 2014 and a household density of 2.3 households per km².

Figure 5 shows that the majority of households are Black, which increased from 11,000 in 1995 to around 23,000 by 2014. During the same period, white households decreased from 4,700 in 1995 to 3,200 by 2014. The net effect on the total number of households was an increase of about 10,000 from 1995 to 2014.

3.2.2 Population Structure

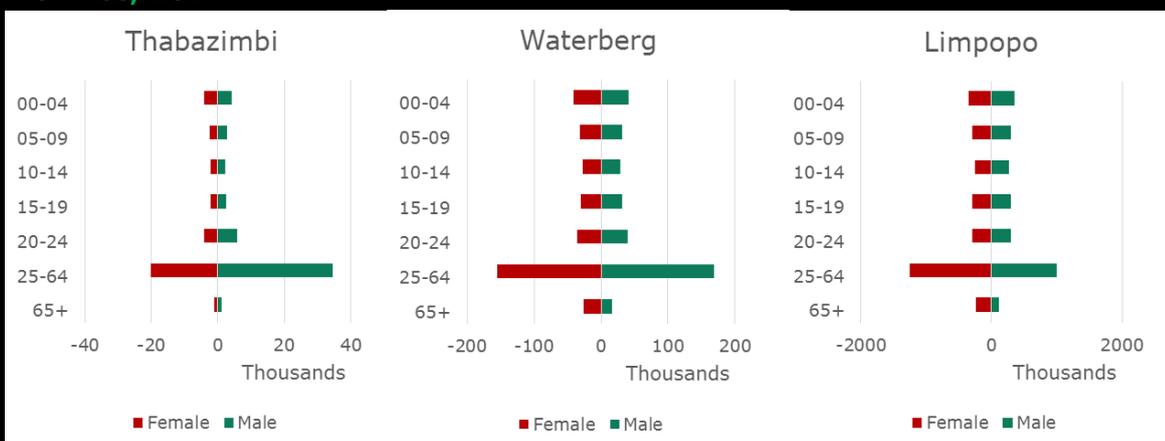
The age and gender composition of a population can have a considerable impact on demographic and socio-economic conditions, both present and future. A population pyramid graphically displays the age and gender composition of a population by showing numbers or proportions of males and females in each age group. The pyramid provides a clear picture of the characteristics of a population. The sum total of all the age-gender groups in the pyramid equals 100% of the population.

The population pyramid for the Limpopo Province, the Waterberg DM and the Thabazimbi LM in 2014 is presented in

Figure 6. The largest proportion of the Thabazimbi LM population is males; 44% more than the female population. This ratio is very high in comparison with the District where the proportion of males is only 3.4% more than the female population; There are 13.5% more females than males in the Limpopo Province.

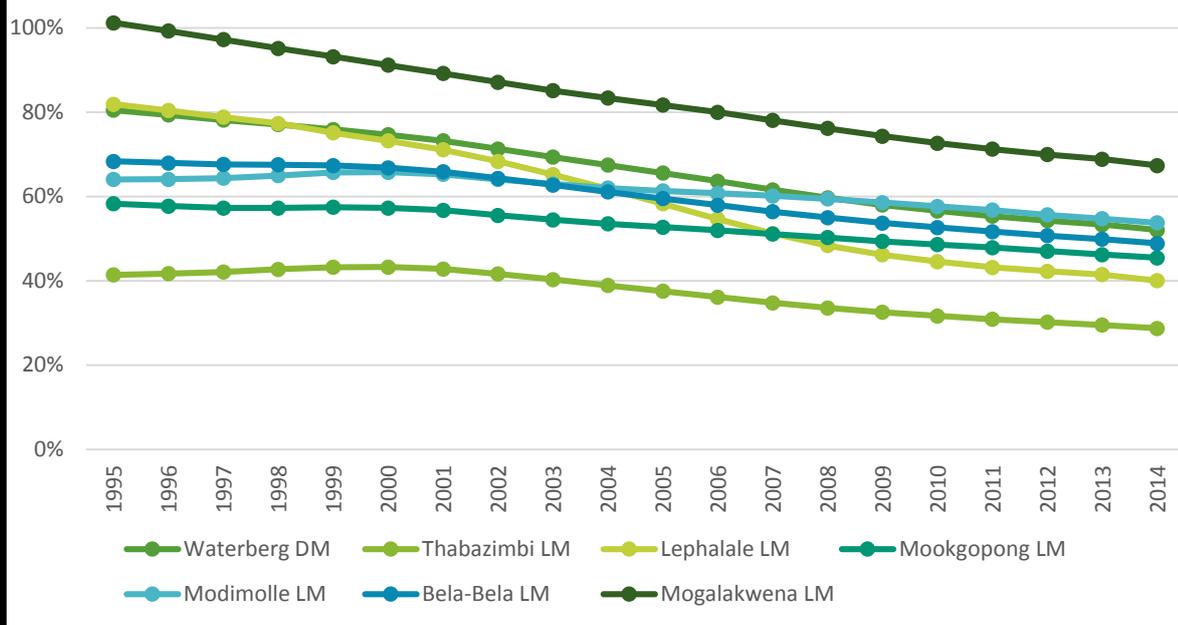
Another development indicator derivable from the population structure is the age dependency ratio in the region. The dependency ration indicates how many dependents each working age person between the age of 25 and 64 has to support. These Dependency Ratios are illustrated in Figure 7. The age dependency ratio in the Thabazimbi LM (as of 2014) amounts to 0.28, which translates into only 28% of individuals depending on the working age proportion of the population in the Municipality. The age dependency ratio for the District is significantly higher at 52% of the population depending on those at working age in 2014. The dependency ratio of other Local Municipalities in the District are all higher than the Thabazimbi LM, with the Mogalakwena LM being the worst at 67% of the age dependent population reliant on those of working age in 2014. Figure 8 provides an overview of the dependency ratio of each MP in the Thabazimbi LM.

Figure 6 – Age Structure of the Thabazimbi LM, Waterberg DM and the Limpopo Province, 2014



Source: Standard Regional Quantec Research 2014

Figure 7 – Dependency Ratios within the Waterberg DM, 2014

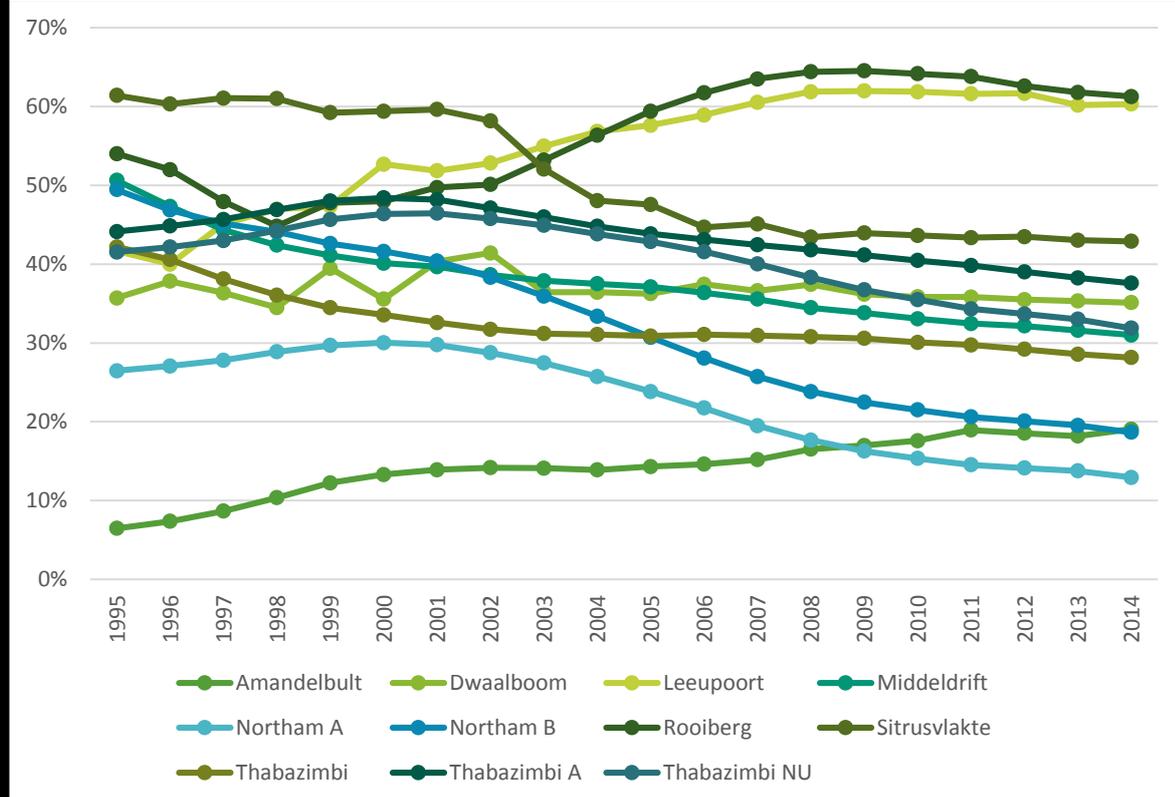


Source: Standard Regional Quantec Research 2014

Dependency ratios in the Thabazimbi LM range between the lowest (12.8%) for Northam A to the highest (61%) for the Rooiberg and Leeupoort MP. The majority of MPs have experienced decreases in their dependency ratio's between 1995 and

2014, which translates into the gradual reduction of the Thabazimbi LM on average. The standard of living is increasing in the Thabazimbi LM owing to less dependents utilising the income of the working population.

Figure 8 – Dependency Ratios of Main Places within the Thabazimbi LM, 2014



Source Standard Regional Quantec Research 2014

3.2.3 Vulnerable Groups

Vulnerable groups within a society include children, youth, women and the elderly. Special provision and planning has to be made to accommodate and protect these groups within a society. This sub-section provides a brief overview of the social profile of these groups in the Limpopo Province.

3.2.3.1 Children

The vast majority of children in South Africa live in poverty and are faced with considerable inequalities that continue to inhibit their access to better quality of life, enhanced educational levels, improved health outcomes and access to opportunities. Children are defined by the Constitution of the Republic of South Africa as 'individuals under the age of 18 years'. Table 2 provides an overview of the demographics and sociological composition of the child population in the Limpopo Province.

It can be concluded from Table 2 that orphans of which both parents have died represent 2.6% of the child population in the Limpopo Province. Only about 26.7% of children living in the Limpopo Province consistently live with both their biological parents. These demographic patterns are quite common in most African cultures where an expanded view of parenthood and

the raising of children exist. Uncles and aunts are often represented as mother or father figures and having children raised by grandparents is very common.

Some 1.3% of households in Limpopo are headed by (or consist of only) individuals younger than 18 years. It is estimated that 3.9% of children in the Limpopo Province lived in households that experienced hunger in 2012. Children living in households without any employed adults are more vulnerable to hunger than children living in households that contain at least one employed adult.

3.2.3.2 Youth

The youth forms a vital component in the drive towards the development of any region. The youth represent new entrants into the country's labour force and will also serve as the basis for future demographic growth. The youth can therefore be either a major source of provincial development or serious social conflict. The role of the youth in the Limpopo Province will depend on the success with which they are incorporated into the labour market and other social structures. The National Youth Policy 2009–2014 defines young people as men and women falling within the age group of 14 to 35 years. The population composition of the youth in the Limpopo Province is very similar to the child composition. Table 3 provides an overview of the demographics

Table 2 - Child Demographics in the Limpopo Province and South Africa (2012)

Parameter	Limpopo	South Africa
% who are orphaned (Both parents have died)	2.6%	4%
% living with both parents	26.7%	34.8%
% living in child headed households	1.3%	0.5%
% living without employed adult	45.4%	32.4%
% living in household that reported hunger	3.9%	13.1%

Source: Stats SA, 2012

Table 3 - Youth Demographics in the Limpopo Province and South Africa (2012)

	Age	Limpopo	South Africa
% households headed by youth	15-24	9.6%	5.6%
	25-34	18.9%	21.1%
% living in poverty conditions	15-24	76.2%	60.5%
	25-34	60.1%	44%
% living in households with inadequate access to food	15-24	13%	28.7%
	25-34	10.9%	23.5%

Source: Stats SA, 2012

and sociological composition of the youth population in the Limpopo Province.

It is evident from the different age categories that the youth is not homogeneous. Household members are often more vulnerable to poverty and unemployment when living in households in which young members are forced to take on responsibility for themselves as well as their siblings as a result of the death or absence of their parents. The portion of households headed by individuals aged 15– 24 amounts to 9.6% in the Limpopo Province. Households headed by younger individuals are more likely to be single or single-generation households than those headed by older individuals. These household are also more likely to contain other non-

related members. Households headed by younger individuals are also more likely to have experienced hunger than households headed by older individuals.

3.2.3.3 Women

The Constitution of South Africa (Act 108 of 1996) provides for the equality of men and women as a fundamental part of its human rights approach. Gender refers to the social system which governs the relations between men and women. Empowerment of women refers to actions to overcome structural inequalities that have previously placed them in a disadvantaged position. Goals through which empowerment can be achieved include achieving universal primary education, promoting gender

Table 4 – Demographics of Women in the Limpopo Province and South Africa (2012)

	Age/ Gender	Limpopo	South Africa
% households headed by females	15-24	51%	41.2%
% living in poverty conditions	Male	67.3%	50%
	Female	71.9%	55.2%

Source: Stats SA, 2012

equality, reducing infant and child mortality and improving maternal health. Financial constraints and poor academic performance are often cited as reasons for why individuals do not continue with education after completing secondary school. Avenues have to be found to mediate and fund further education and training for individuals who cannot afford it. Education will empower females, who are or have been subject to gender inequality, with the opportunity to improve themselves and their socio-economic position.

In 2012, more than half (51%) of all households in the Limpopo Province were female headed. This is slightly more than the national average of 41.2% of all households being female headed. A larger portion of the female population than the male population in the Limpopo Province lives in poverty. Some 71.9% of the female population lives in poverty conditions compared to 67.3% of the male population (Table 4).

3.2.3.4 Elderly

The current generation of the elderly in South Africa was particularly burdened by the apartheid government system. Adequate education, employment and socio-economic opportunities were not provided to a large portion of the elderly during their younger years. Without the means to break free from the bondage of poverty, the majority of older people were unable to provide for their old age through

secure retirement benefits. Table 5 provides an overview of a few demographics as well as the sociological composition of the elderly population in the Limpopo Province.

It can be concluded from Table 5 that the percentage of households headed by older persons is 22.9% in the Limpopo Province. Slightly less than 20% of all persons in South Africa live in a household headed by a person aged 60 years and older. Approximately 61.6% of the elderly in Limpopo live in households where poverty conditions prevail, compared to 44.7% in South Africa as a whole.

3.2.4 Access to Services

This section examines the level of services available to the population of the Thabazimbi LM. Provision of basic services affects the quality of life of citizens, particularly the poor, and plays an important role in economic development through improved education and infrastructure.

3.2.4.1 Education Performance

The magnitude of educational performance in a study area is a critical indicator for prosperity and living standards. The education and skills level within a study area also dictate the availability of skilled labour and thus influences economic growth, private sector investment and the degree of entrepreneurialism.

Table 5 - Demographics of the Elderly in the Limpopo Province and South Africa (2012)

	Limpopo	South Africa
% households headed by older persons	22.9%	19.7%
% living in poverty conditions	61.6%	44.7%
% living in households that reported hunger	3.4%	13.1%

Source: Stats SA, 2012

Figure 9 compares the education levels achieved by residents in the Thabazimbi LM between 2009 and 2014. The largest proportion of residents in the Thabazimbi LM have only partially completed their secondary education, a figure which grew from 27% in 2009 to 28.6% by 2014. This is attributed to improvements in education provisions for rural South Africans. Between 2009 and 2014, the number of unschooled citizens has seen a reduction by more than 10% to only 8.7% by 2014. It is also anticipated that this trend will continue over time, as all South African children are now legally required to attend school.

The lower rate of higher education enrolment in the Thabazimbi LM is likely a result of the lack of tertiary education facilities in the Municipality. Thus, the vast majority of local students enrolled in University or College will relocate to other areas of the province or country in order to attend school and will be recorded by the South African Census as residents of those areas.

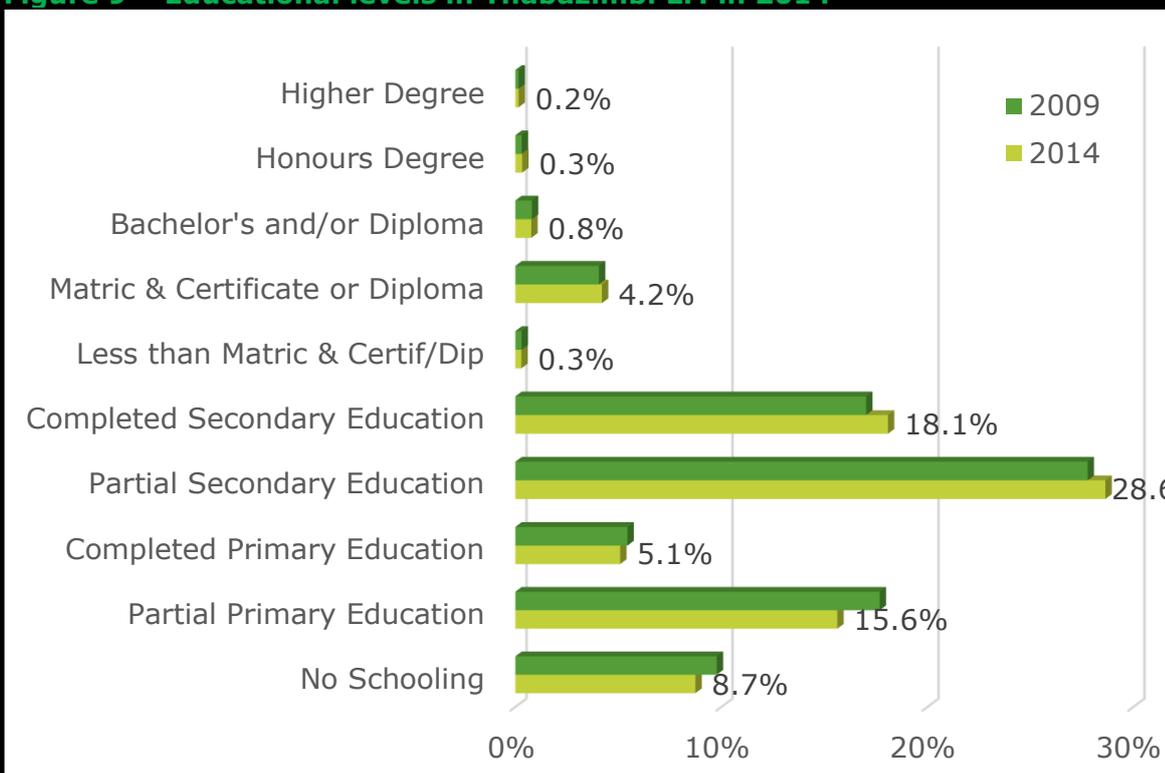
3.2.4.2 Access to Housing

The status of housing and basic service delivery in a municipality or study area is a key indicator of socio-economic welfare. There is a strong correlation between inadequate housing and insufficient service delivery on the one hand and poverty, unemployment and inequality on the other. Additionally, lack of housing and basic services is related to poor governance, protest action and weak social cohesion.

The purpose of this section is to determine to what extent the right to housing and basic service delivery is extended to residents of each Main Place within the Thabazimbi LM and also compared to other LMs in the Waterberg DM and the Limpopo Province, where applicable. This is determined by analysing African Census data collected in 2001 and 2011 to forecast up to 2014 to make comparisons.

The type of housing available in a study area is illustrative of the socio-economic conditions faced by a population. In areas

Figure 9 – Educational levels in Thabazimbi LM in 2014



Source: Standard Regional Quantec Research 2014

The type and proportion of housing available in the Thabazimbi LM and fellow local municipalities in Waterberg are illustrated in Figure 10. This figure shows that just under three quarters (72%) of households in the Thabazimbi LM live in formal detached houses, implying a relatively high quality of housing and service delivery. Additionally, 26% of households in the Thabazimbi LM live in informal dwellings or shacks, which makes the spread of informal settlements a concern.

Map 2 indicates access to formal housing in the Thabazimbi LM by each Main Place. According to Map 2, the Thabazimbi NU is marginally better at providing access to formal dwellings than the Northam B and is much better than Amandelbult, where more than 60% of households live in informal dwellings or shacks. The relatively poor quality of housing in the Thabazimbi LM compared to the wider District is indicative of higher levels of poverty and inequality, more townships and informal settlements and more demand for public housing investment.

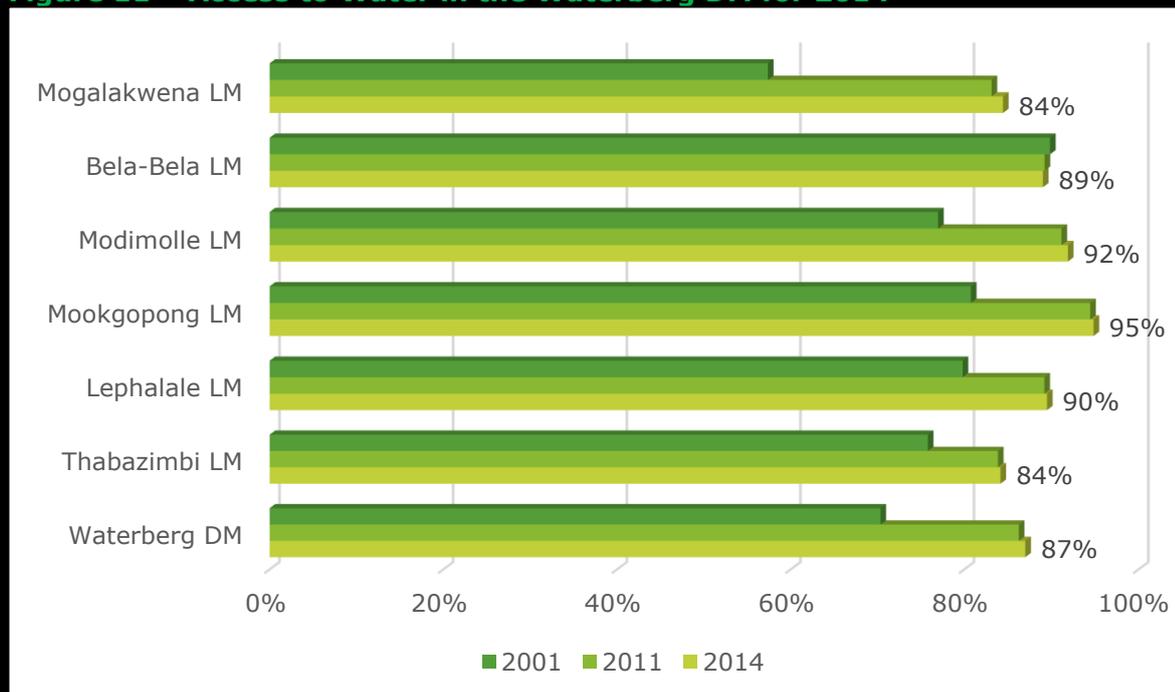
3.2.4.3 Access to Water

In South Africa, the Constitution guarantees access to 'sufficient water'. This guarantee is translated into specific water regulations that form part of the Basic Services Policy adopted in 2001. These regulations set a minimum standard of 25 potable litres of water per person per day available within 200 metres of every household.

The South African Census, conducted in 2001 and 2011, indicates whether residents of the Thabazimbi LM have been afforded the right to clean drinking water and to what extent water accessibility has improved when forecasted up to 2014. This information is provided in Figure 11, including comparisons with the other LMs in the District.

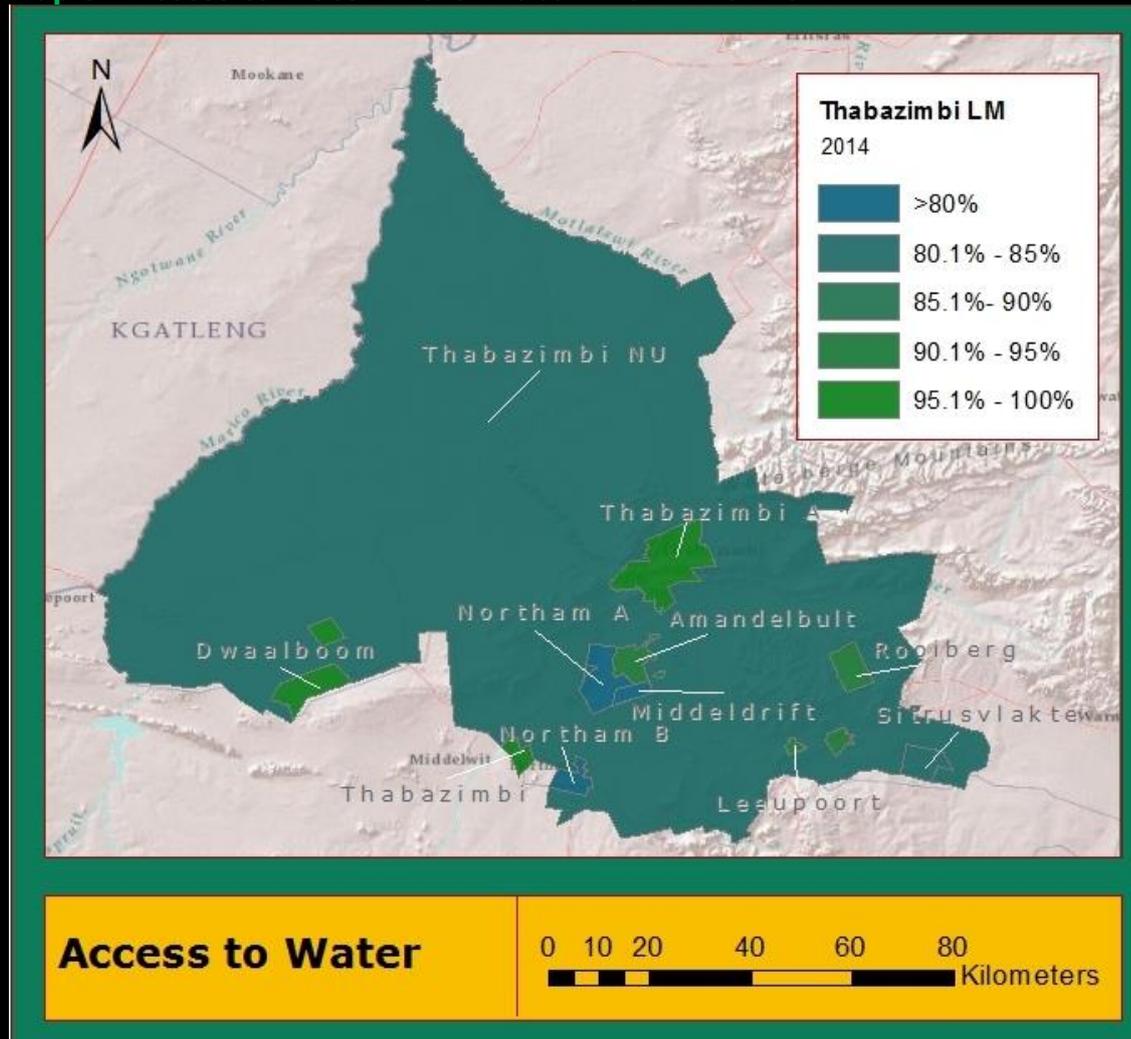
Figure 11 illustrates that in 2011, residents of the Thabazimbi LM had more secure access to drinking water than in the Waterberg DM average and in particular,

Figure 11 – Access to Water in the Waterberg DM for 2014



Source: Standard Regional Quantec Research 2014

Map 3 - Access to Water in the Thabazimbi LM for 2014



Source: Standard Regional Quantec Research 2014

Mogalakwena LM. In 2014, 84% of Thabazimbi LM households have a water tap in their home, compared to 78% in 2011.

Map 3 indicates the access to water by each of the Main Places within the Thabazimbi LM. Thabazimbi A and Dwaalboom have the highest levels of access to potable water in the Local Municipality, while Northam A and B have both indicated to be the lowest service providers of potable water to the community.

3.2.4.4 Access to Sanitation

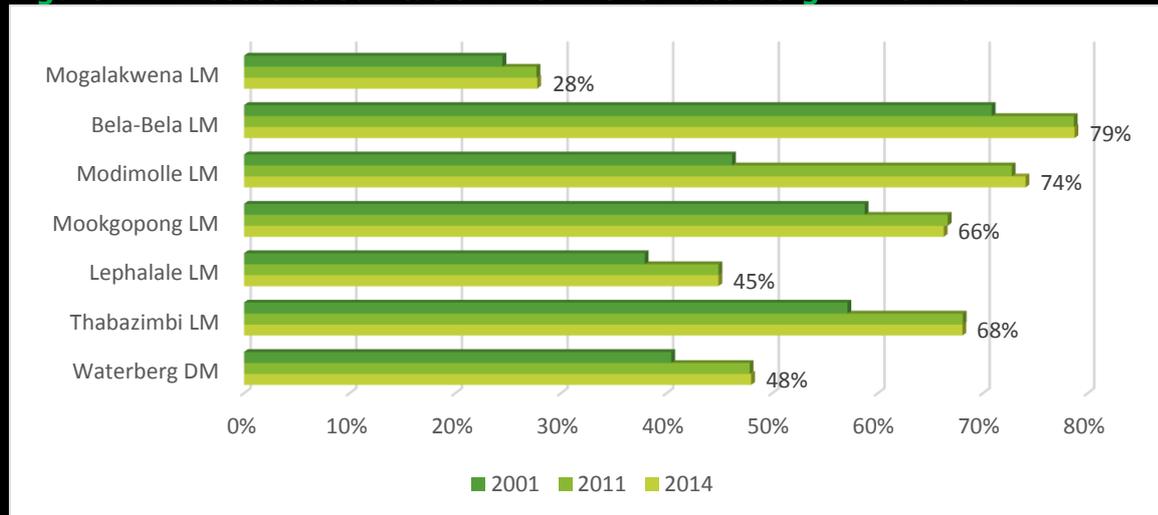
The basic service delivery that municipalities are required to provide, according to the Basic Services Policy of 2001, is a minimum level of sanitation

which is defined as households having access to a ventilated pit latrine, also known as a VIP toilet. This standard of service delivery is deemed necessary to ensure human dignity and prevent the spread of disease.

Figure 12 illustrates the level of access to sanitation in the Thabazimbi LM compared to other LMs within the Waterberg DM. It shows that a greater proportion of households in the Thabazimbi LM have access to a flush toilet (68%) than in the Mogalakwena LM (28%) and Lephalale LM (45%), but less than Bela-Bela LM (79%).

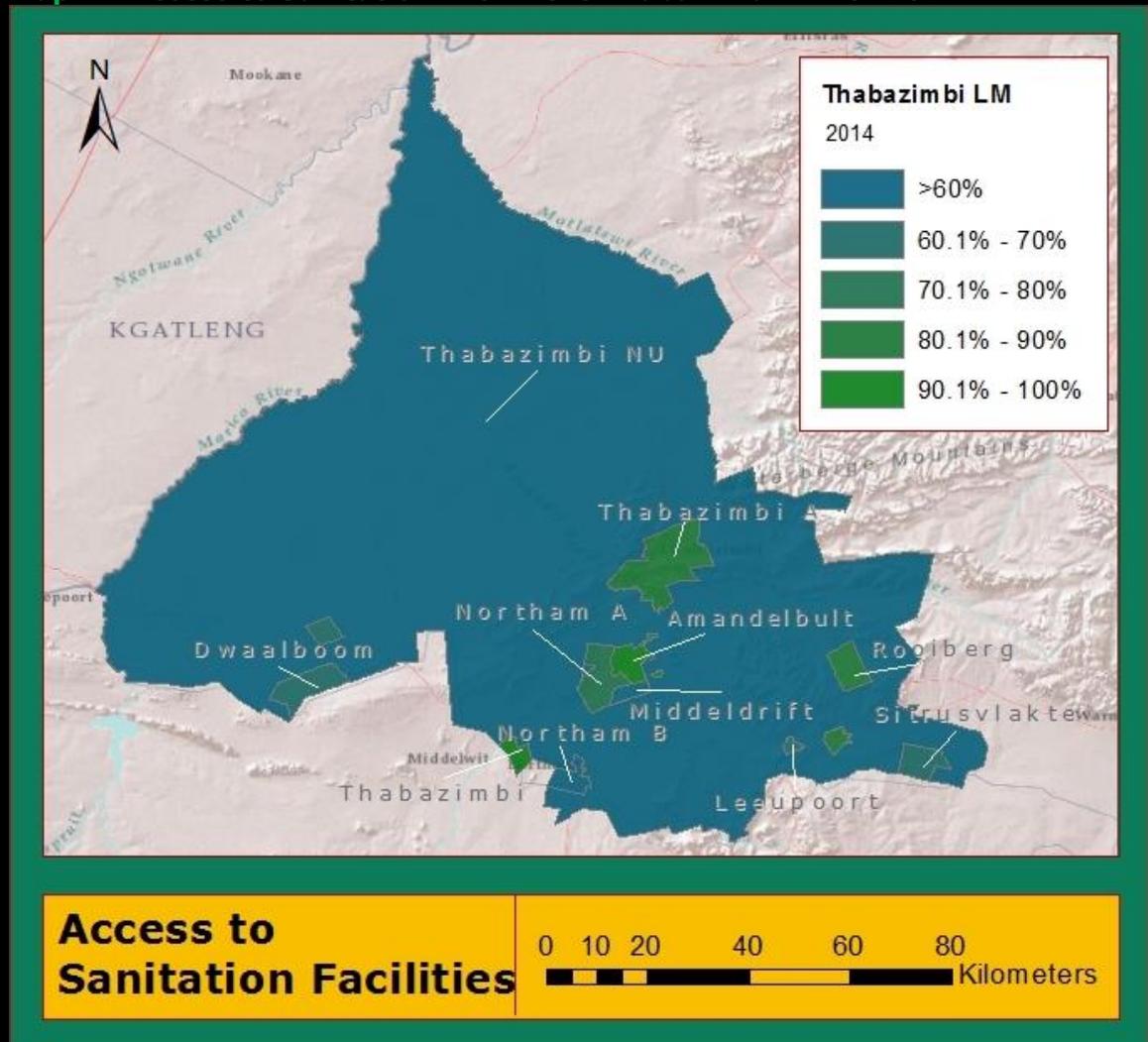
This figure also shows that the proportion of households with a flush toilet has increased dramatically in the Thabazimbi LM, from 57% in 2001 to 68% by 2014. This rate of

Figure 12 - Access to Sanitation within the Waterberg DM for 2014



Source: Standard Regional Quantec Research 2014

Map 4 - Access to Sanitation within the Thabazimbi LM for 2014



Source: Standard Regional Quantec Research 2014

increase is suggestive of economic progress being made and the good culture of service delivery within the Municipality.

Map 4 indicates the access to sanitation by each of the Main Places within the Thabazimbi LM. The areas within the

Thabazimbi LM that have the lowest proportion of sanitation access are the Thabazimbi NU, Middeldrift and Northam B, while the highest levels of service delivery have been recorded at the Thabazimbi LM, Amandelbult and Rooiberg Main Places.

3.2.4.5 Waste Management

In situations where communities are faced with an absence of refuse removal, sanitation challenges are critically high, which will result in poor living conditions and high likelihood of diseases.

Figure 13 compares refuse removal services in the Thabazimbi LM to the other LMs in the Waterberg DM in 2001, 2011 and 2014. It shows that the proportion of households in the Thabazimbi LM that receive refuse removal at least once a week increased substantially from 43% of households in 2001 to 61% by 2014.

Figure 13 also shows that proportionally more households in the Thabazimbi LM receive refuse removal services (63%) than in the Waterberg DM (45%). This is attributed to the weak service delivery in both the Mogalakwena LM and Lephalale LM at 27% and 42% respectively. These figures translate into the fact that these households

are often more dispersed, making refuse removal less efficient.

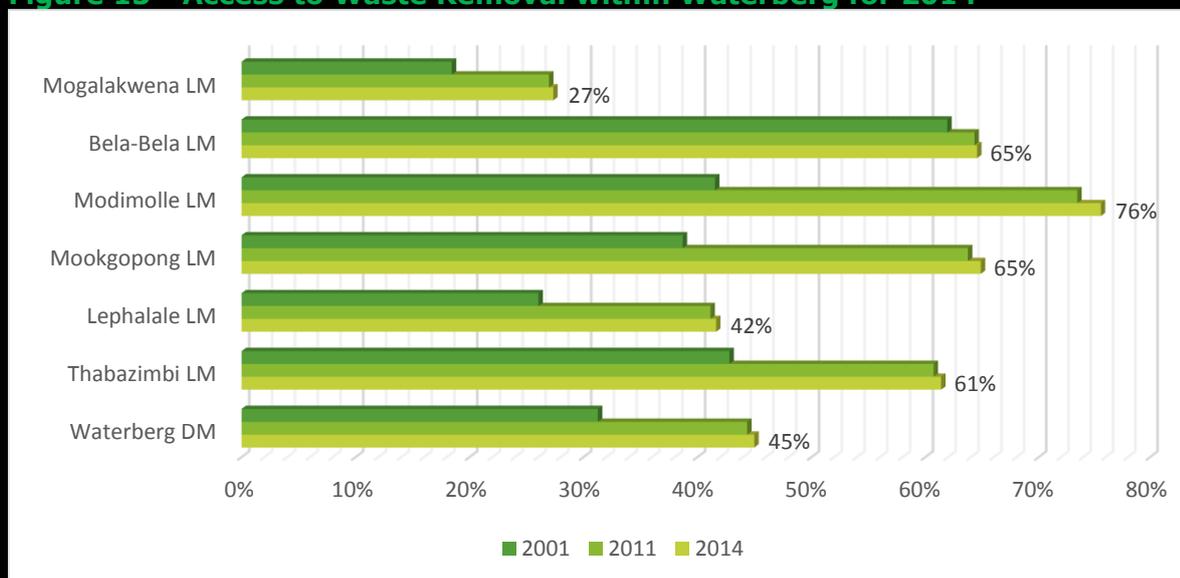
Map 5 indicates the access to refuse removal by each of the Main Places within the Thabazimbi LM in 2014. The highest proportion of service delivery in refuse removal is located in the Thabazimbi A, with more than 80% of the residents receiving the service. The lowest levels of delivery were recorded in Thabazimbi NU, Dwaalboom and Sitrusvlakte, where less than 20% of residents receive proper refuse removal services.

It is vital that the Thabazimbi LM should address these situations of weak delivery by implementing actions to ensure improved service delivery for all areas within the Municipality.

3.2.4.6 Access to Electricity

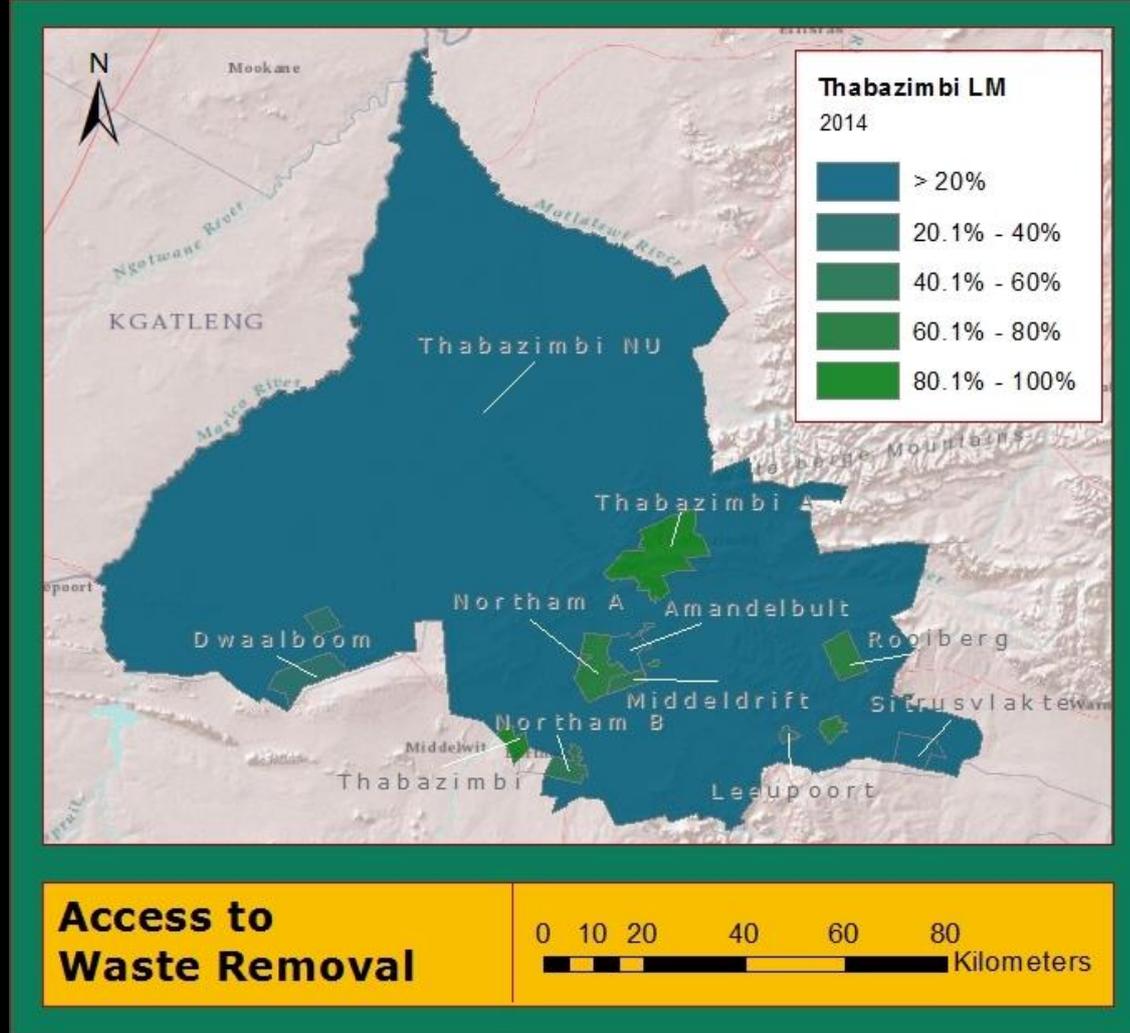
Access to electricity by households is an important factor of socio-economic development, with most households without electricity living in poverty. Households that are able to use electricity are capable of efficiently re-organising their time without the need to collect wood for light. They are less likely to suffer health difficulties from smoke and chemical

Figure 13 - Access to Waste Removal within Waterberg for 2014



Source: Standard Regional Quantec Research 2014

Map 5 - Access to Waste Removal within the Thabazimbi LM for 2014



Source: Standard Regional Quantec Research 2014

inhalation and students living at home are better equipped to perform well in school.

Households living in poor areas have the right to have access to a minimum amount of free basic electricity through the adoption of the Basic Services Policy of 2001. This translates into the need for distribution networks to extend into these communities and provide households with access to the electricity grid of South Africa.

Figure 14 illustrates access to electricity in the Thabazimbi LM compared to the other LMs in the Waterberg DM over the period from 2001 to 2014. For the purpose of this study a household is considered as having access to electricity if it uses electricity as its primary energy source for lighting.

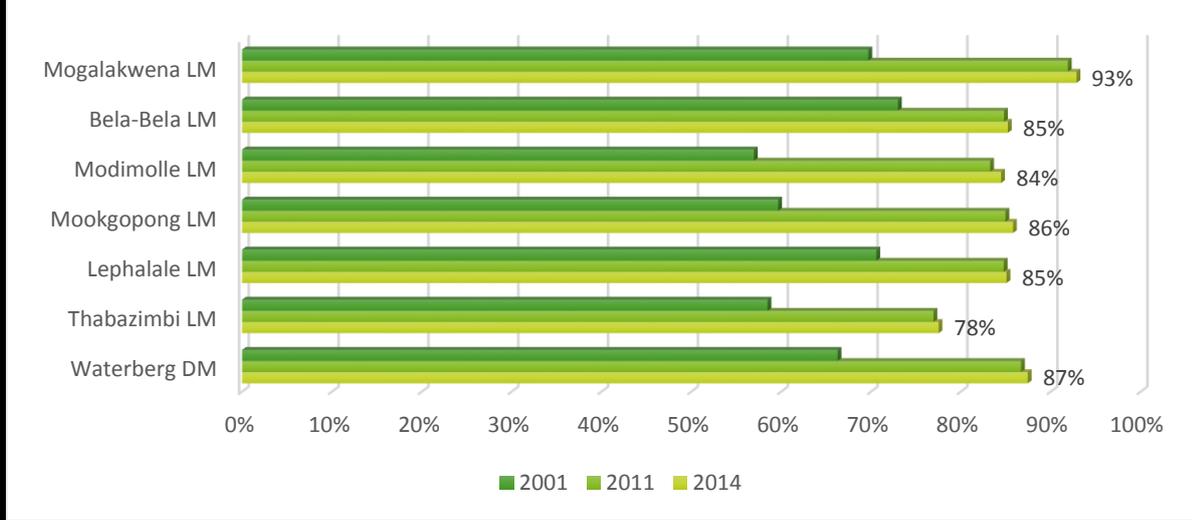
Although great progress had been made from 2001 (58%) to 2014 (78%), the Thabazimbi LM still has the lowest level of household access to electricity in the Waterberg District. The Mogalakwena LM has the highest level of access to lighting in the Waterberg at 93% in 2014.

Map 6 indicates the access to electricity by each of the Main Places within the Thabazimbi LM in 2014. Thabazimbi A, Amandelbult and Rooiberg have the highest proportion of electricity access in the Municipality. In 2014, approximately 8 out of every 10 household in these three Main Places have access to electricity for lighting their home. The largest Main Place, namely the Thabazimbi NU, has between 70%-85%

access to electricity, while Middeldrift and Northam B have the lowest levels of access. Regions with very low levels of access have

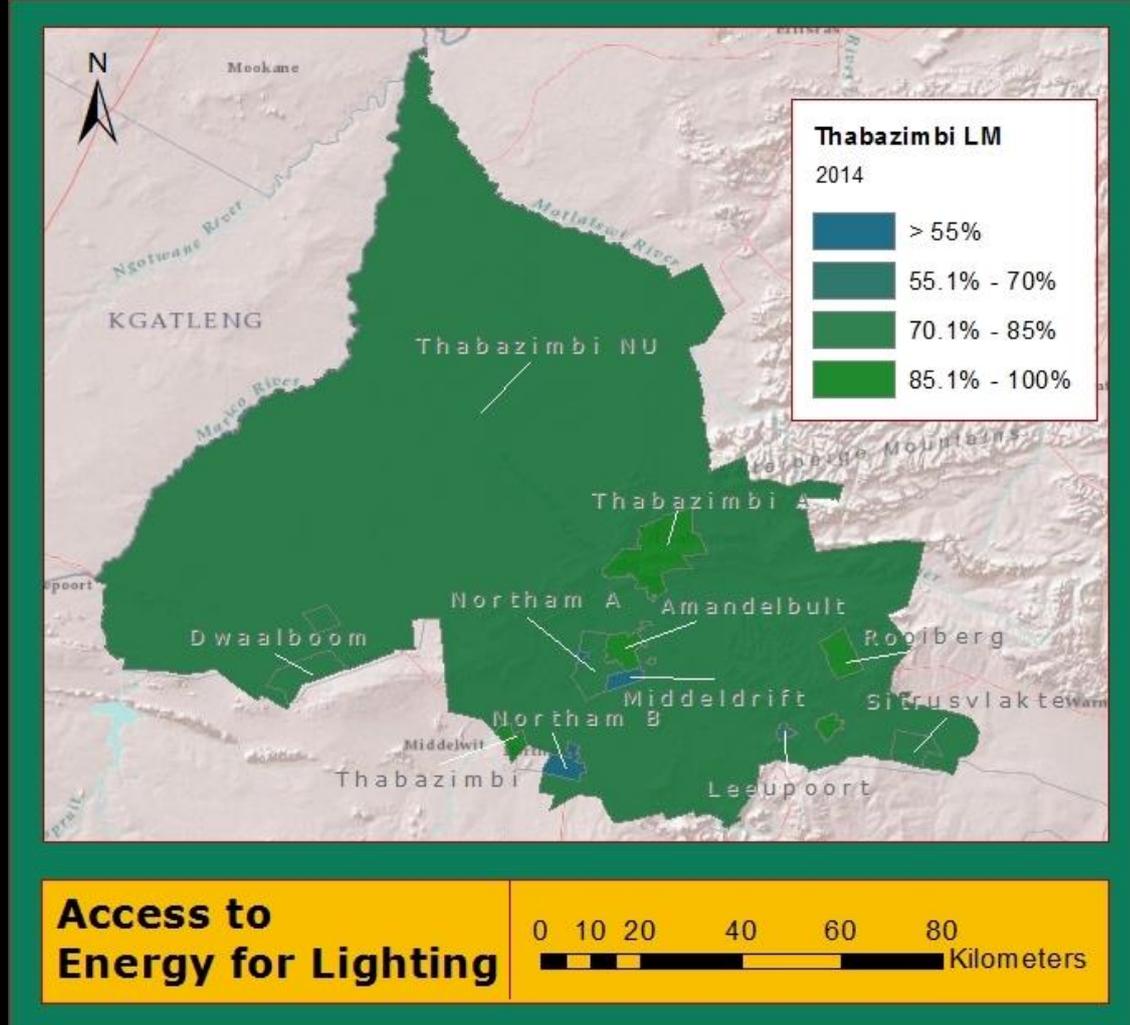
major constraints for socio-economic development.

Figure 14 – Access to Electricity within the Waterberg DM for 2014



Source: Standard Regional Quantec Research 2014

Map 6 - Access to Electricity within the Thabazimbi LM for 2014



Source: Standard Regional Quantec Research 2014

3.3 Economic Analysis

This section provides an overview and decomposition of the most dynamic sectors of the Thabazimbi LM Economy. The prime goal is to analyse the most relevant characteristics of the Thabazimbi LM and illustrate the most advantageous aspects for future developments and opportunities. This will be done by observing time series data in a creative way and forecasting the most recent economic events to describe the current situation in the Thabazimbi LM. During this process, key performance areas will be highlighted for potential growth in the Municipality. This section will also provide insight into the manner in which possible investment should be placed in order to enable effective exploitation of competitive advantages of the economy.

3.3.1 Production Outlook

The analysis will predominantly focus on the Thabazimbi LM, but will also include the other five Local Municipalities in Waterberg for comparative assessments between their performances and will also take into consideration the significant impact each of the 10 economic sectors will have on the Thabazimbi LM Economy.

3.3.1.1 Value Added Output

Gross Value Added (GVA) is the difference between output and consumption for a given sector or industry and therefore measures the total current Rand (R) value of goods and services produced in that sector.

The Gross Value Added (GVA) gives information on important aspects as to how well a region within a country is doing. It only provides information to a certain extent because the wellbeing and standard of living are only partially a matter of financial or monetary capital - GVA is the inflation-adjusted market value approximation of all goods and services originating from and destined to a region in

a given time period (or, alternatively, the estimated value of income generated in terms of profits and wages). Increased output of goods and services does benefit the wellbeing and standard of living of the average person in Thabazimbi LM in some ways: higher average incomes and increased consumption are often beneficial. But not always: GVA numbers do not answer essential questions, such as whether too much of the wrong things are being consumed, whether there is better quality consumption or whether too little saving is taking place.

When the Thabazimbi LM's level or growth rate of GVA increases, its average standard of living, the quality of education and the health of its population also increase, and standard of living, education and health are all human rights.

Therefore, economic growth is indeed an ideal phenomenon in developing areas because it's correlated with many beneficial outcomes for the community. But growth will not automatically or inevitably bring about those outcomes. If growth brings more income, the residents of the Thabazimbi LM still have to decide to invest money in education, redistribution, institution building etc.

The analysis that follows in this sub-section will predominantly consider the production and employment of the economy as a singular entity, while an assessment provided in a later sub-section will comprehensively discuss each sector individually.

Figure 15 illustrates the GVA at basic prices has increased over the past twenty years from R 7.1 billion in 1995 to R8.6 billion by 2014. After inspection of the current trend over the past five years, the GVA of the Thabazimbi LM is slightly decreasing at a rate of around R22 million each year.

Figure 15 – The GVA and Growth Rate of Thabazimbi LM, 1995-2015

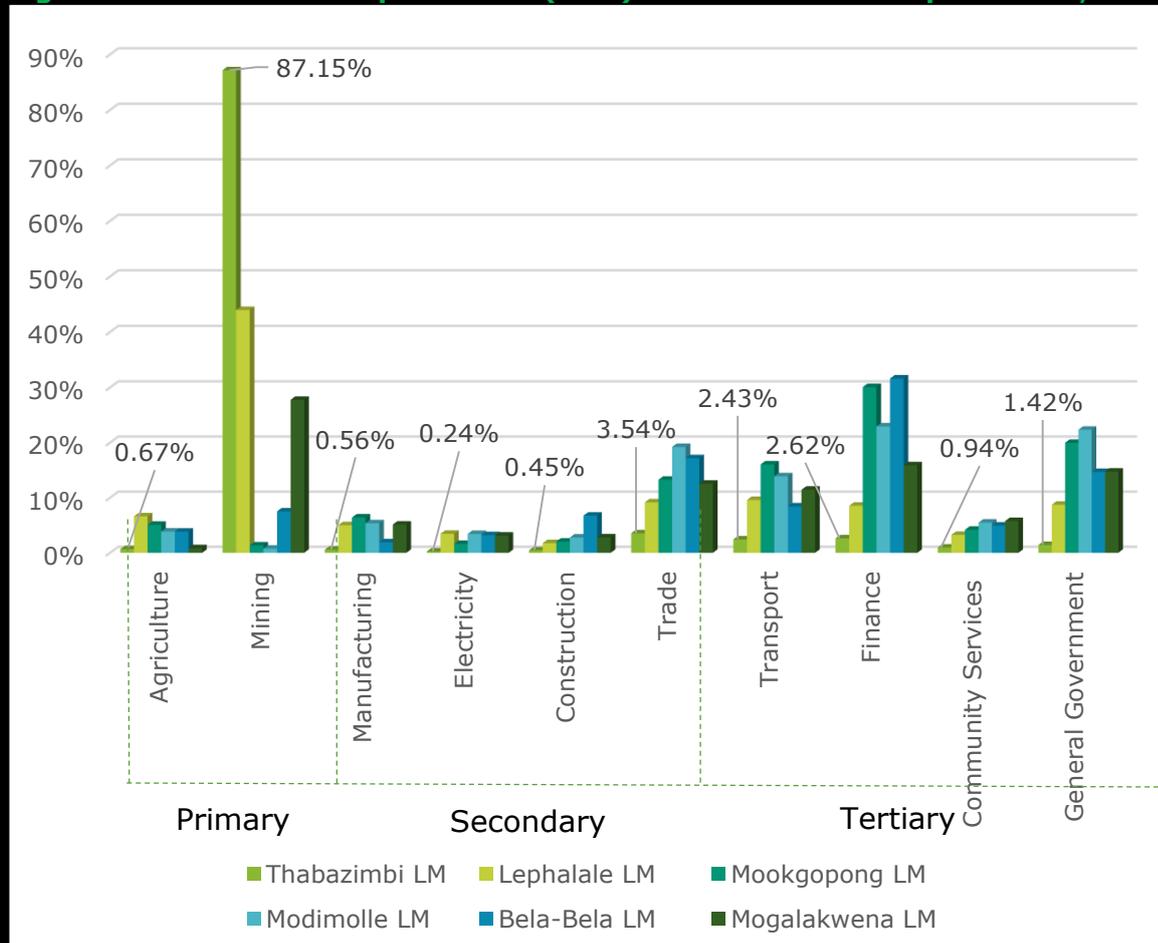


Source: Standard Regional Quantec Research 2014

From Figure 15 it can also be seen that the year-on-year GVA growth rate has been volatile over the past 20 years, peaking at 22% in 1998 to a low of -7% in 2008-2009 during the World Financial Crisis. From this,

it can be assumed that the Thabazimbi LM economy is bouncing back after a steep increase in the market.

Figure 16 – Economic Output Profile (GVA) for Thabazimbi LM per Sector, 2014



Source: Standard Regional Quantec Research 2014

The leading contribution to the GVA of Thabazimbi LM is the Mining Sector that accounted for 87% of the GVA in 2014. The primary sector of the Thabazimbi LM dominates the other sectors where the Tertiary Sector makes out 10.2% of the economy in the Thabazimbi LM and the Secondary Sector only 1.2% (Figure 16).

From this profile of the Thabazimbi LM economy combined with the guidelines of the NDP, it is worthwhile to highlight the potential risk posed by an over-dependence on the mining sector. The focus should therefore be on encouraging diversification of the economic base, especially in industries such as manufacturing and agro-processing due to its potential support for local and regional (African) agriculture and mining.

This fact can be supported by the fact that all the other LMs in the District have diversified economies across their tertiary sectors. Bela-Bela and Mookgopong receive the largest contribution to their GVA from the Finance Sector while Modimolle has a strong Government Sector. Mogalakwena and Lephalale are both strong in the Mining Sector, which is a concern as this sector tends to be unsustainable.

3.3.1.2 Employment

Generally, citizens in certain demographic groups and locations tend to participate in the labour market very differently from others. Decisions that are as volatile and unpredictable as these do not leave enough room to be analysed properly and the incentives of household labour supply decisions are very restricted. The more information available about the details of the household labour supply choices, including choices to participate in the market, the better policy-makers can predict the impact of strategies and programmes on labour force participation.

Households can be thought of as the owners of both capital and labour. For example, the members of households in the Thabazimbi

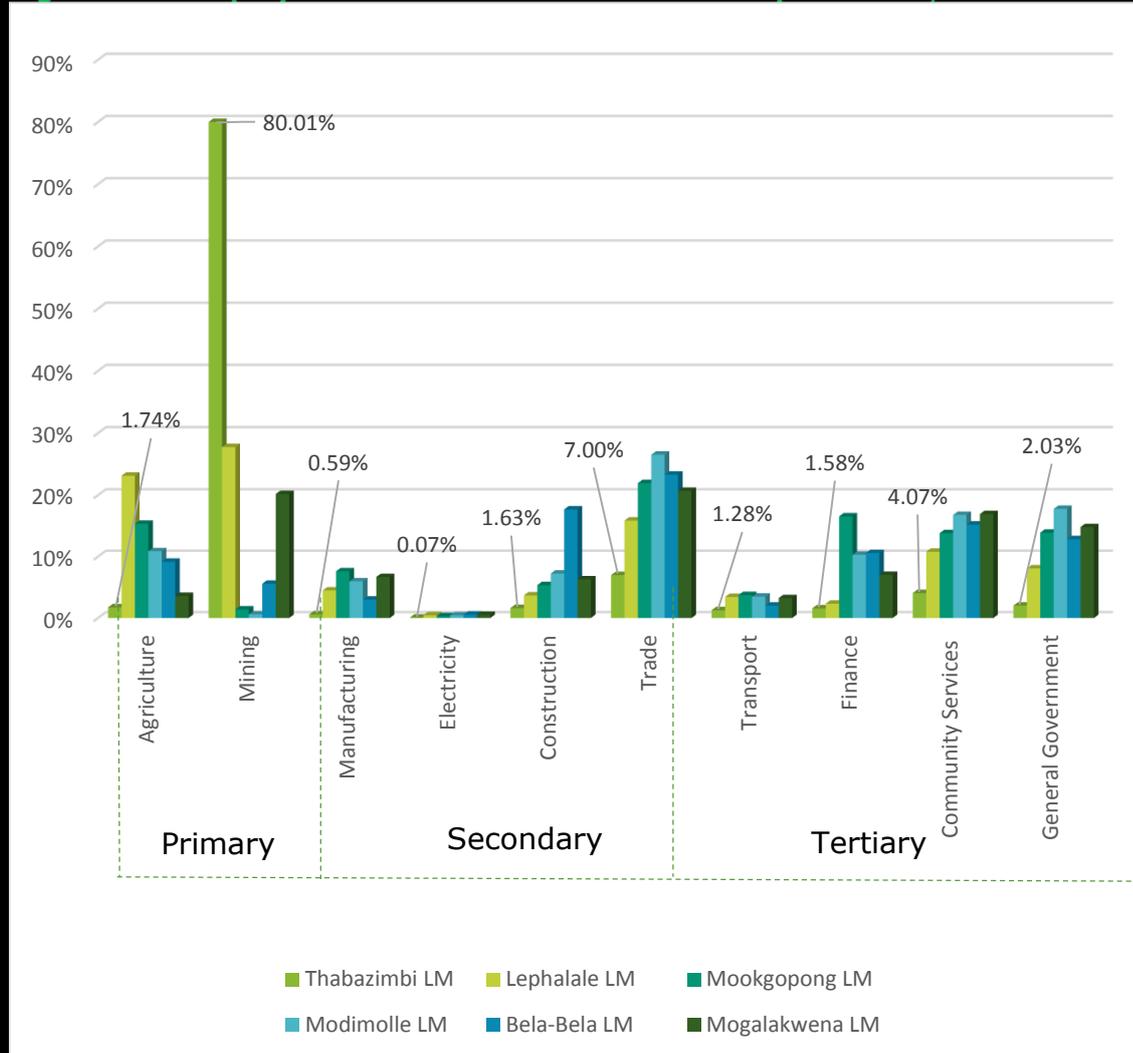
LM will combine their home capital like—cars, ovens, beds and dwellings - with their available time for labour to produce household output, such as vacations, dinners or child care. These kinds of output delivered by households cannot directly be attained in the market and are not counted in GVA, but they are very important to households. The labour provided by households for these outputs are also not counted in the aggregate statistics on labour supply. Households then have to make decisions about how much of their time to supply to market work versus work at home, including how many members of the household should participate in market work.

By keeping these factors in mind, the approach followed in this section will assist in better understanding the factors driving household labour supply decisions. The number of workers in the market and the rate at which employment grows are important considerations when assessing the scope of regional economies. The sector employment profile, which indicates the sectoral employment as a percentage of total employment, provides an additional understanding of the structure of the Thabazimbi LM's economy.

Figure 17 illustrates the sector employment profile of the Thabazimbi LM, according to each District Municipality. The data included in this figure refers to both formal and informal employment. The mining sector employs a third (80%) of the workforce in the Thabazimbi LM while the trade sector is second at 7%. Other sectors include the community services sector (4%), the agriculture sector (1.7%) and the government sector (2%).

The fact that the employment arrangement of the Thabazimbi LM economy is defined to such a considerable extent by the primary sector, especially the Mining Sector, and to a lesser extent the Tertiary Sector, poses a

Figure 17 - Employment Profile for Thabazimbi LM per Sector, 2014



Source: Standard Regional Quantec Research 2014

high risk in the long-term. The limited capacity of the primary sector to grow output implies that employment in this sector will be placed under pressure. Therefore, the diversification of the Thabazimbi LM labour force across all sectors is of great urgency.

Table 6 illustrates the characteristics of the labour force of the Thabazimbi LM in 2014. The Thabazimbi LM has an estimated working age population of around 71,935 people which is 15.5% of the working age for the Waterberg DM. Within the working age population, 26,495 are not economically active and 45,440 people are part of the labour force. This implies that the Thabazimbi LM has a very high participation rate of 63% of the working age

population compared with only 58% of the Waterberg DM. Within the labour force, 34,958 workers are employed and 9,040 people are unemployed. The unemployment rate for the Thabazimbi LM is 20% compared to the unemployment rate of the Waterberg DM, which is 24.8%.

The steady unemployment in the Thabazimbi LM is not a critical concern as long as that the trend is to be continued without volatile shocks. Identifying viable projects and interventions that will create more employment in the short- and medium term, while also providing opportunities for sustainable growth and development are still critical. A slight abundance in available employment opportunities that requires very little to no

Table 6 - Labour Force Characteristics, 2013 (4th Quarter)

	Waterberg DM	Thabazimbi LM
Working Age Population	463,441	71,935
Not Economically Active	194,494	26,495
Labour force	268,947	45,440
Employed	179,322	34,958
Unemployed	66,586	9,040
Participation Rate	58%	63%
Unemployment Rate (Strict)	24,8%	20%

Source: Standard Regional Quantec Research 2014

skills is also a concern. While the Thabazimbi LM can afford to employ a large quantity of unskilled workers in the economy is reassuring, the problem of sustainability over the long-term is still a reality that is not catered for.

3.3.2 Level of Concentration

To measure the economy's diversification and concentration, the tress index is utilised. A rating of zero represents a total

diversified economy. On the other hand, the higher the rating (closer to 100), the more concentrated or vulnerable the region's economy to exogenous variables, such as adverse climatic conditions, commodity price fluctuations, etc.

A diverse economy plays a key role in the sustainability of an economy. In general, economies that are more diversified are also more robust and can defend itself in times of slow growth and recession

Table 7 – Tress Index for Thabazimbi LM: 1995-2014

	1995	2000	2005	2010	2014
South Africa	40,3	39,5	40,6	42,3	43,6
Limpopo	50,9	48,5	47,3	44,9	42,4
Waterberg DM	64,7	61,7	62,3	60,5	59,1
Thabazimbi LM	94,1	91,7	91,3	91,5	91,1
Lephalale LM	61,8	42,4	48,3	57,5	63,9
Mookgopong LM	39,8	45,3	44,2	51,6	54,9
Modimolle LM	36,4	41,7	42,7	47,8	51,2
Bela-Bela LM	50,1	51	48,6	47,4	46,7
Mogalakwena LM	41,9	44,9	46,8	43,6	40,5

Source: Standard Regional Quantec Research 2014

pressures. The subsequent results are illustrated in Table 7.

The economy of the Thabazimbi LM is extremely concentrated with a very high index value ranging from 94 in 1995 to 91 in 2014. Although the index value has decreased over the past twenty years, the crucial concern is that the high level of concentration is not ideal for sustained and inclusive growth. The Thabazimbi LM has the highest economic concentration in the district and compared very negatively with both the District at 59 and Limpopo Province at 42. Based on the Tress Index of the Thabazimbi LM, the emphasis of all new projects to be undertaken should include cognisance of the high level of concentration and should focus on including diversification as far as possible among the sectors.

3.3.3 Comparative Analysis

The analysis of this sub-section is concerned with determining whether the Thabazimbi LM's economic sectors conduct production more efficiently relative to the Waterberg DM and Limpopo Province.

An indication of the comparative advantage of an economic sector is its location quotient.

The Methodology used to determine the Location Quotient (LQ) in this analysis is as follows:

% of local output in sector / total local output

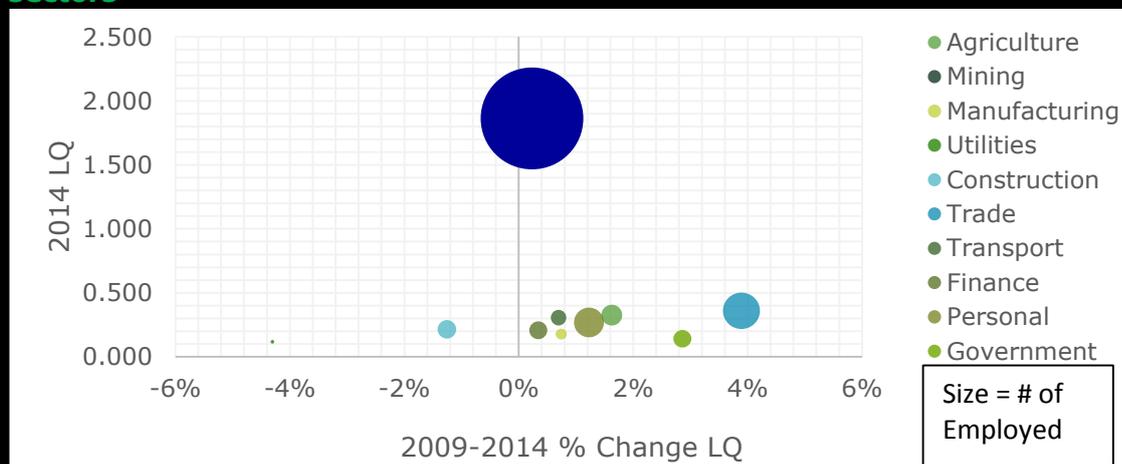
Divided by:

% of aggregate output in sector/total aggregate output

A sector that has a location quotient larger than one (1), for instance, has a comparative advantage in that activity compared to the same sector in the aggregate economy. The location quotient can be calculated and applied to both the production and employment capacity of regional economic activity. The sectors with values higher than one (1) should, however, not be regarded as the only sectors worth developing as latent potential in other sectors are not necessarily highlighted by this technique.

Figure 18 illustrates the LQ assessment that identifies sectors that warrant targeting or prioritisation efforts due to its potential to drive production and employment in the economy. From the figure, it is evident that

Figure 18 – The Location Quotient of Thabazimbi LM in 2014 across all sectors



Source: Standard Regional Quantec Research 2014

Table 8 - Location Quotient of the Waterberg DM, 2013 (Production and Employment)

Sector	Thabazimbi LM relative to Waterberg DM		Thabazimbi LM relative to Limpopo		Thabazimbi LM relative to South-Africa	
	LQ 2014	ROC	LQ 2014	ROC	LQ 2014	ROC
Agriculture	0,286	1.6%	0,266	-3,5%	0,262	-5,8%
Mining	1,879	0,2%	4,140	0,8%	15,330	1,1%
Manufacturing	0,177	0.7%	0,031	-28,3%	0,007	-27,5%
Utilities	0,118	-4,3%	0,075	-7,0%	0,103	-6,4%
Construction	0,214	-1,2%	0,181	-1,7%	0,129	-1,3%
Trade	0,360	3,8%	0,269	5,1%	0,254	5,4%
Transport	0,306	0,7%	0,258	3,6%	0,249	3,3%
Finance	0,207	0,3%	0,141	0,7%	0,112	0,2%
Personal	0,268	1,2%	0,179	1,7%	0,157	1,6%
Government	0,142	2,8%	0,071	3,7%	0,088	3,1%

Source: Quantec, 2014

*ROC – Rate of change p.a. between 2009 and 2014

the mining sector dominates all other sectors in the Thabazimbi LM with the highest LQ value of 1.8 compared to all the other sectors obtaining LQs less than 0.5. Although mining is the most dominant sector in the municipality, emphasis for development should also be placed on the Trade and Agriculture Sectors that have relatively higher LQ values compared to the other sectors, excluding the mining sector, which have experienced positive rates between 2009 and 2014.

Table 8 indicates the location quotients of the sectors performance within the Thabazimbi LM relative to the Waterberg DM, the Limpopo Province and South Africa.

In terms of the comparative analysis of the Local Economy to that of the District Economy illustrated in the first part of Table 8, the following conclusions around proportional production can be drawn:

- The agriculture sector and the mining sector play a more significant role in the Thabazimbi LM than in the District.

- The significance of the utilities and construction sector has decreased from 2009 to 2014.

In terms of the comparative analysis of the Local Economy to that of the Provincial Economy illustrated in the second part of Table 8, the following conclusions around proportional production can be drawn:

- Due to the significance of primary sector production in Mining, Thabazimbi LM has a comparative advantage against the Limpopo Province as well.
- The importance of the Trade Sector has also been increasing relative to that of the Province.

In terms of the comparative analysis of the Local Economy to that of the National Economy illustrated in the third part of Table 8, the following conclusions around proportional production can be drawn:

- The Mining Sector of Thabazimbi LM has a very significant relative advantage compared to South Africa.
- Other sectors that have higher LQ values, excluding the Mining Sector, are Trade and Transport.

SECTION 4: Spatial Analysis from a LED Perspective

4.1 Introduction

The Thabazimbi Local Municipality is rich in many opportunities. In the sections that follow, the most important opportunities will be thoroughly examined. The purpose of this section is simply to provide an overview of the opportunities that have been identified by the Thabazimbi SDF as areas of land where there is the most potential for growth and where many of the development projects that will be identified could be placed. The most pertinent areas identified by the SDF will be brought forward and the opportunities they have the potential to afford and nurture will be identified.

As shown in Map 7, Thabazimbi LM has several Nodes (Growth Points) of great significance to the development potential of the LM. Thabazimbi Town has a great deal of growth potential, especially in terms of the tourism and trade sectors of the

economy, due to its location near to the major tourism corridors of the LM. A second significant Node is Northam, which has pronounced potential in terms of the industrial sector of the economy, such as in the Mining Beneficiation and Agro-Processing industries. A last significant potential growth point for the Thabazimbi LM is Rooiberg, which has significance for the tourism sector as it is a town that already enjoys a tourism feel, as well as having several tourist attractions such as a golf estate and a bike race.

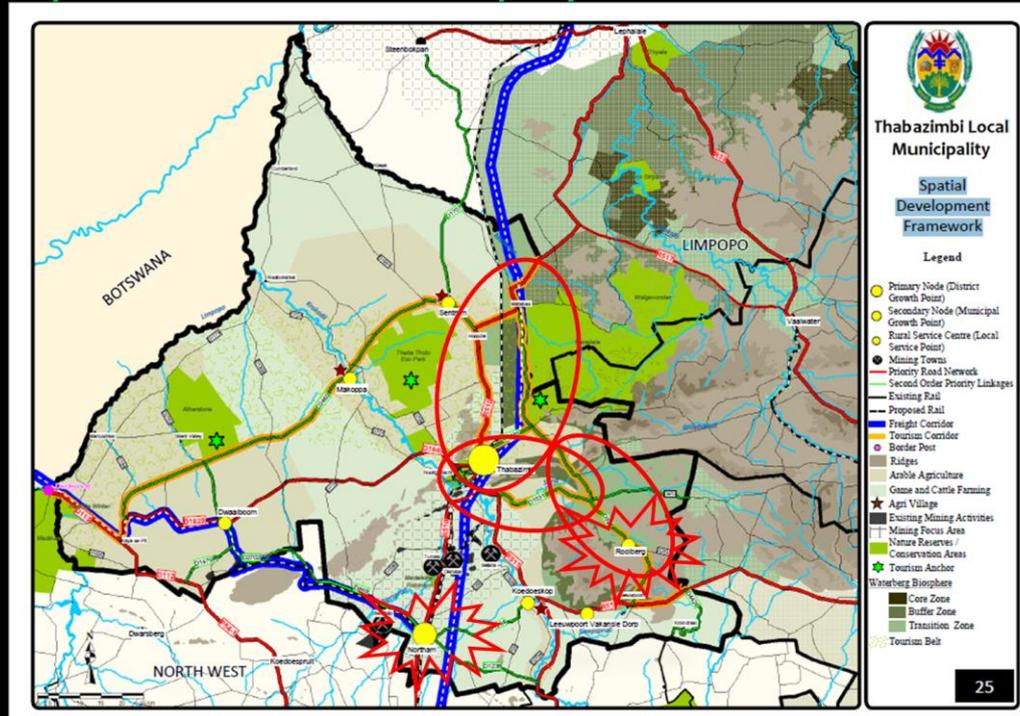
4.2 Analysis

This section will focus on the two biggest nodes for potential growth in the Thabazimbi LM, namely Thabazimbi Town and Northam.

4.2.1 Thabazimbi Town

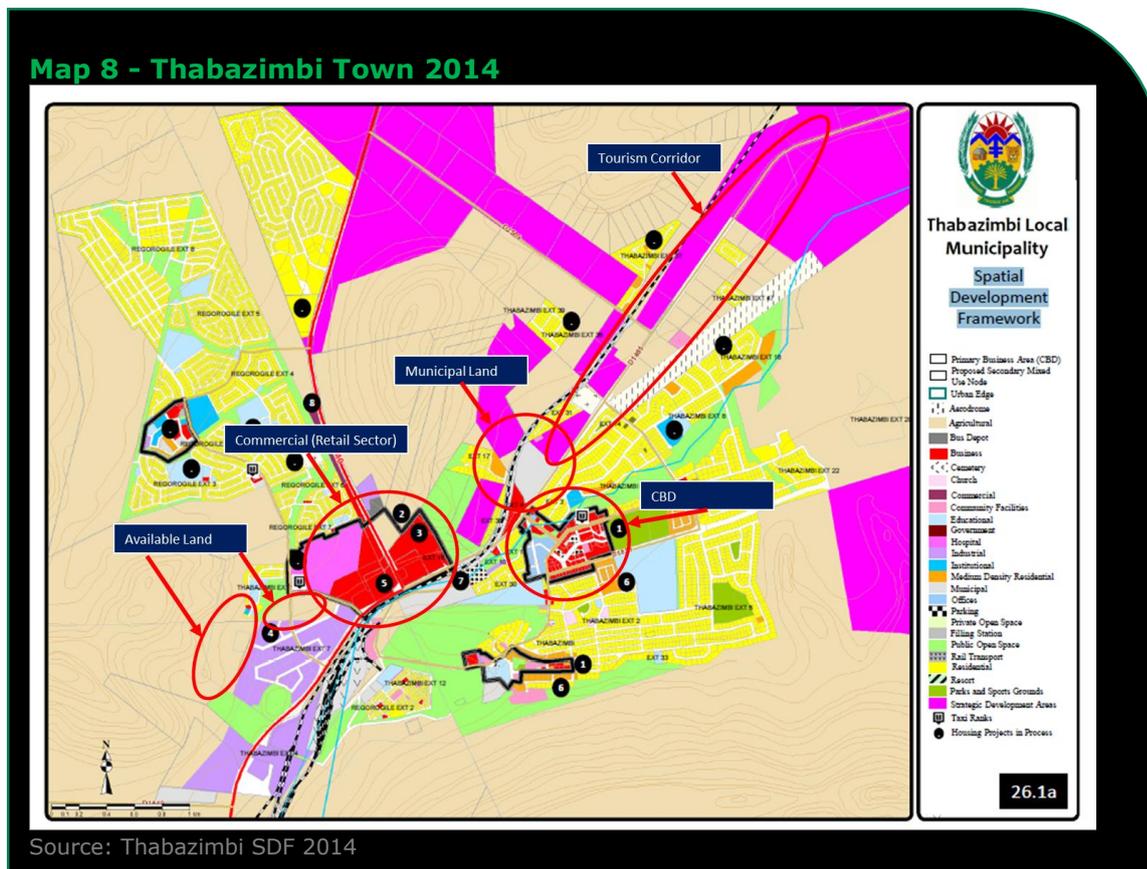
Thabazimbi Town has quite a few opportunities for growth and development available both in and around the town. Map 8 provides an illustration of the potential that the Thabazimbi SDF has identified in Thabazimbi Town. The first opportunity that

Map 7 - Thabazimbi Local Municipality 2014



Source: Thabazimbi SDF 2014

Map 8 - Thabazimbi Town 2014



is presented by Map 8 is the land owned by the Municipality that is situated along the tourism corridor, which passes through Thabazimbi. Due to this land's location, it is a primary spot for the development of small businesses that will appeal to tourists, such as arts and crafts displays and shops with locals in traditional cultural outfits as well as other cultural activities. As the LM pulls in more tourists, small businesses along this corridor that cater to tourists will have a great deal of success which will help those running the businesses, their families and the community of Thabazimbi Town and LM as a whole to grow.

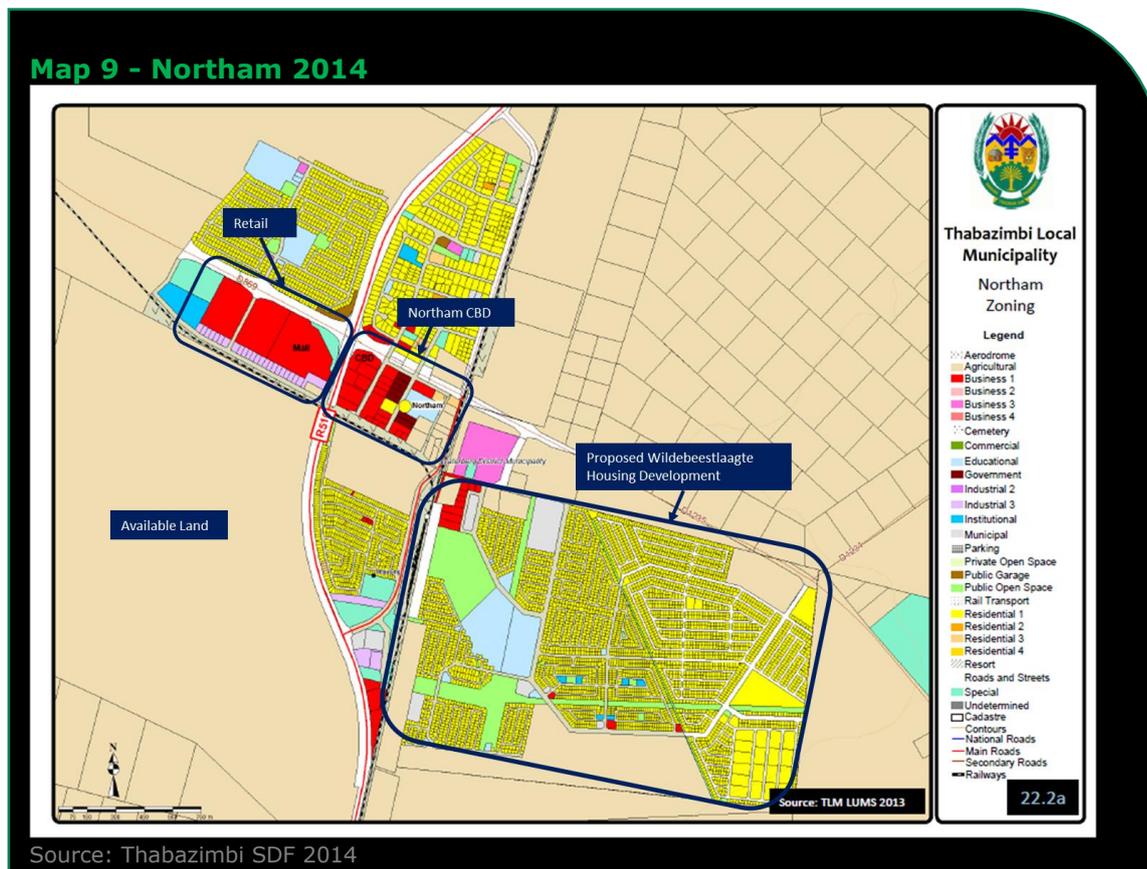
The CBD of Thabazimbi Town has growth potential to become more of a tourism town as it is conveniently located off the tourism corridor. The citizens of Thabazimbi Town should aim to increase the attractiveness of the town for tourists by creating a welcoming and friendly atmosphere in the CBD.

Within the major retail area of Thabazimbi Town there is also potential for growth as more diverse businesses can be started in

that section that will help to give the town a tourism vibe. The retail area can incorporate businesses that will draw tourists from all over, thus helping to bring additional business to those businesses that have already been established in that section, bringing much needed revenue and trade to the town and the LM.

The industrial area of Thabazimbi Town also has a fair amount of potential as there is land surrounding it that can be used for further development of the town. This land can be used to develop a necessary incubator and training centre that can develop the skills of the citizens of the town so as to make them as successful as possible in their businesses, as well as in becoming more tourism oriented.

Map 9 - Northam 2014



4.2.2 Northam

Northam is largely an industrial town due to its close proximity to several large mines, as shown in Map 7. This inherent industrial nature gives rise to several industrial opportunities being available for development within Northam. The products that can be produced from these activities can then aid in the development of the commercial (retail) sector of Northam. In the past, Northam simply mined products then sent the raw materials out of the municipality. Developing the retail sector in the CBD, shown in Map 9, will provide the town with more income and will thus allow the town and its citizens to thrive and will aid in the growth of the Thabazimbi LM.

Map 9 indicates the available land that has been found in Northam that would be ideal for use in the development of agro-processing and mining beneficiation activities. As can be seen, this land is close to the CBD, which will make transport of the goods produced by the businesses easier to transport and to sell.

Also seen in Map 9 is the proposed site for the development of a low cost housing development for mine workers. The provision of housing for mine workers is another potential growth area for Northam as, at present, the only housing available for mine workers is provided by the mines themselves. These are far from the town so it becomes inconvenient for those who live there when they mines close down and provisions stop being transported out to the developments. The proposed housing development, which will be called Wildebeestlaagte, will provide alternative housing for mine workers that is within the town and thus close to the CBD where they can get the supplies they need and that will also remain as viable housing for the miners even after the mines themselves are non-existent. In this way, Northam can grow its population and town as well as providing essential and much needed security to those dependent on the mines for accommodation.

SECTION 5: Opportunity Analysis

5.1 Factors determining the development potential

Before commencing with the discussion of the relevant development potential criteria, it is prudent to first clarify the meaning of potential. The Concise Oxford Dictionary (1990) describes 'potential' as follows:

- 'capable of coming into being or action'
- 'the capacity for use or development'
- 'usable resources'

Therefore, potential refers to resources and/or capacity that can be utilised or developed. In order to identify or determine this development potential and/or opportunities within an economy, a set of criteria is required against, which to evaluate whether the resource and/or capacity can be regarded as having potential. The set of criteria serves as an evaluation tool to identify areas with potential for development and opportunities within each of the local economic sectors. These include:

- Availability of raw materials and resources
- Economic linkages
- Market trends
- Gap analysis / Agglomeration advantages
- Logistics / nodal point function
- Regional service delivery function
- Availability of labour
- Technology change
- Enabling policy environment
- Infrastructure

What follows is a brief discussion of each of the abovementioned aspects as they relate to development potential.

5.1.1 Availability of raw materials and resources

Raw materials / local resources are some of the most important production factors. Without these resources, no product can be manufactured and no service can be

delivered. The availability of raw materials / other resources makes local development promotion considerably simpler, more feasible, viable and sustainable. Depending on the nature and extent of the resources / materials, these can also be a major tourist attraction, and apart from attracting tourists to the area, the raw materials / resources can be utilised for local beneficiation and value adding through local processing.

5.1.2 Economic linkages

Economic linkages refer to the interaction of various economies with one another, or various sectors within one economy. These interactions can take place in various manners and on various scales. Linkages are important for an economy and its activities to be sustainable. One economy in general cannot provide for the local needs and therefore needs to interact with neighbouring or nearby economies. When referring to linkages one can define two major categories:

5.1.2.1 Backward linkages

This type of economic interaction refers to the raw material or intermediate products required as inputs into the delivering of the end product or service. In many cases the inputs required in the local economy cannot be delivered by the same economy and need to be imported from other economies. In other cases the inputs are available, but it is cheaper to obtain the same inputs from outside economies.

A very important question one always needs to ask in determining the development potential is: can some of the inputs be supplied or manufactured locally, saving transport cost, creating employment opportunities and contributing to local beneficiation and value adding? If the answer is 'yes', there is definitely potential for development within the economy.

5.1.2.2 Forward linkages

Forward linkages refer to the supply of intermediate products as inputs into the production process, and/or delivering an end product or service at the end of the production process.

5.1.3 Market trends

Market trends refer to the consumption trends and preferences of the general market. It can either indicate that there is potential for an increase in the production of a specific product or delivering of a specific service, or it can indicate that there is a need for change in products and service delivery. For instance, a trend can be observed for people consuming more organically farmed products than traditional products. Therefore it indicates that the agriculture sector should focus more on producing organic products than traditional products.

A significant problem in any economy is the possible leakages that exist in some of the economic sectors. A leakage can be described as the loss of business or capital as people, businesses and companies spend their money on products and services outside their geographical area. Thus, people in the Thabazimbi LM buy their groceries in Rustenburg or in the Gauteng province. Instead of spending the money in the Thabazimbi LM to create spin-off effects, the money is taken outside the District and spent in another region. This scenario can be reduced by developing the region so that the goods that people need are nearby the region they reside in. The community should be motivated to spend their income in the region they live in, as this will enhance the local economy, leading to increased local development and growth.

5.1.4 Gap analysis / Agglomeration advantages

This criterion refers to the identification of a gap within the local economy or an advantage for various industries to group together to stimulate economic growth.

Agglomeration advantages can be illustrated by developing a mining logistical hub or cluster. Therefore, all manufacturing orientated and related activities are grouped together in delivering services and information for the manufacturing sector.

5.1.5 Logistics / Nodal point function

To determine if the area has potential for delivering a logistics or nodal point function, one needs to answer the following question: can the area serve as a distribution point for specific products or services? In the case of the Thabazimbi LM, the area can serve as a distribution point for mining products to other African countries and surrounding economies. This relates to the next criterion.

5.1.6 Regional service delivery function

In the next section the contribution of the Thabazimbi Local Municipality to the Waterberg District and Limpopo province's economy will be analysed. An analysis regarding the comparative advantages in the District will clearly indicate the requisite focus necessary in certain areas of its economy in order to further increase the development of the Municipality.

5.1.7 Availability of labour

Labour, as one of the most important production factors, also indicates the potential for development in an economy. When considering potential within the local labour pool, the determining factors include the quantity and quality of the labour force. Quantity refers to the magnitude of the labour force and quality refers to the educational and skills level of the labour force. If the educational and skills levels of the local labour force meet the requirements for manufacturing development, the potential for development is high.

5.1.8 Technology change (i.e. food modification)

Technology change refers to the change in production methods. Good examples are genetic manipulated production, the Internet, etc. The changes in technological techniques and methods increase the potential for developing an incubator in the area. Incubators provide collective services (i.e. training and facilities) required by industries and also individual people to become self-sustained in their newly adopted economic activities.

5.1.9 Policy environment (enabling development)

Potential for development can also be identified when considering the policy environment. Various policies stimulate, support and encourage development, whereas others inhibit development. A good example of supporting policy is the SMME development programme of Godisa. This programme provides funding and other necessary inputs for upcoming SMMEs.

5.1.10 Infrastructure

Infrastructure is a very important part of any economy. The availability of infrastructure such as roads, telecommunications, railways, water and airports can in itself create economic growth and development. The existence of these infrastructures improves linkages between the supplier and the market and it also creates employment.

5.2 Key Concepts

5.2.1 The Cluster Concept

The Limpopo PGDS adopted the cluster value-chain approach to economic development in the province. Clusters are defined as critical masses, spatially concentrated and of unusual competitive success in a particular field. They encompass an array of linked industries, from suppliers and providers of infrastructure to downstream activities and service organisations. They also include

training, research and governmental institutions (LEGDS, 2004 - 2014). The purpose of cluster initiatives is to promote economic development within the cluster by improving the competitiveness of one or several specific business sectors.

It is indicated that once a cluster begins to form, a self-reinforcing cycle promotes its growth whereby the production of the cluster improves, creating better innovation and where new business formation takes place (LEGDS, 2004 - 2014).

5.2.2 Location Quotient (LQ)

The comparative advantage of a region indicates a more competitive production function for an economic activity in a specific economy than in the aggregate (national or provincial) economy. The analysis therefore determines whether a local economy conducts an activity (included in an economic sector) more efficiently than the national or provincial economy.

An indication of the comparative advantage of an economic sector is its location quotient. A sector that has a location quotient larger than one (1), for instance, has a comparative advantage in that activity compared to the same sector in the aggregate economy. The location quotient can be calculated and applied to both the production and employment capacity of regional economic activity. This enables a more thorough understanding of the strengths and weaknesses of the Waterberg DM economy, as well as that of the local economies that it includes. The sectors with

The methodology used to determine the Location Quotient (LQ) in this analysis is as follows:

Percentage of local output in sector / total local output

Divided by:

Percentage of aggregate output in sector/total aggregate output

values higher than one (1) should, not be regarded as the only sectors worth developing as latent potential in other sectors is not necessarily highlighted by this technique.

An important interpretation from the Location Quotient (LQ) value of sectoral production has to do with the self-sufficiency of specific economic activity in a regional economy. A location quotient of one (1) for instance means the provincial economy maintains the same proportion of economic activity in a particular sector than the country does. The District theoretically meets its own consumption requirements through local production of the specified good or service and does not import or export from other areas within the country. If the LQ value is less than one, the region is not producing enough to meet local needs, while an LQ value greater than one implies the region produces more goods and services in that sector compared to the country, and the excess can potentially be exported.

The LQ assessment also assists in identifying sectors that warrant targeting or prioritisation efforts due to its potential to drive production and employment in the

economy; the following four (theoretic) scenarios exist (Table 9):

- If a sector has an LQ value of less than one and is declining over time, this sector’s potential is considered to be a “low/medium and decreasing” and generally should not be considered a potential driver.
- If the LQ value is less than one but increasing over time, the sector’s potential can be considered “low/medium and increasing” and it may (depending for instance on the rate of increase) be a potential sector of focus for economic targeting efforts.
- If the LQ value is greater than one but is declining over time, the sector’s potential is considered “high and decreasing.” The loss in comparative production capacity or employment levels might be considered a risk and the sector could be deserving special consideration.
- If the LQ value is greater than one and growing over time, the sector’s potential is considered “high and increasing” and could be considered for targeting efforts due to its ability to drive the province’s economy. These sectors could also have further growth potential.

Table 9 – Interpretation of the Location Quotient Results

LQ Value	Label	Interpretation
Less than 0.70	Low	Local needs are not being met by the resident sector. The region is importing goods and services in this particular sector.
0.70-0.99	Medium	Most local needs are being met by the resident sector. The region is both importing and exporting goods and services in the sector.
1.00-4.50	High	The sector is serving needs beyond the sector, exporting goods and services from this sector.
More than 4.5	Very High	This is an indication of a very high level of local dependence on a sector, typically in a “single-industry” community.

5.2.3 Economic Sectors

According to the South African Standard Industrial Classification, all economic activities can be divided into nine economic sectors that contribute to total production in a regional economy. Table 10 presents these sectors and provides a short description of the activities included in each.

The main economic classification as defined by the South African Standard Classification of all Economic Activities (SIC) of 1993 have been utilised as the basis throughout this report. Although a total of nine sectors are provided, the remainder of the report draws a distinction between government services activities and community/personal services activities. Ten sectors are therefore described throughout the remainder of the report. Some economic activities such as tourism, is not defined as an independent sector since the activities in that sector ranges between accommodation and catering (SIC no: 6410 and SIC no: 6420), retail and wholesale (SIC no: 61221 and SIC no: 6220), manufacturing (e.g. of arts and craft – SIC no: 39299), business services and social services. Activities such as sport on the other hand are for instance included under the community services' sector under SIC no: 9641.

5.2.3.1 Production

The size of an economy refers to the total current Rand (R) value of goods and services produced in that area, commonly measured in Gross Value Added (GVA).

GVA is a productivity measurement calculating the difference between output and intermediate consumption. Gross value added therefore provides a value (in Rand) for the number of goods and services that have been produced, minus the cost of all inputs and raw materials that are directly attributable to that production.

The structure or composition of such an economy is then measured by the contribution of each economic sector to the total value of goods and services produced. Economic growth or economic performance is subsequently measured by the change in total.

GVA over time that can also be classified according to individual sectors. The analysis that follows in this sub-section will predominantly consider the production and employment of the economy as a singular entity, while an assessment provided in a later sub-section will comprehensively discuss each sector individually.

5.2.3.2 Employment

Employment and employment growth are important considerations when assessing the scope of regional economies. The sector employment profile, which indicates the sectoral employment as a percentage of total employment, provides an additional understanding of the structure of the District municipal economies. Comparing the sector employment profile of a regional economy to its economic (productivity) profile provides a good indication of the employment capacity of each economic sector, and illustrates the significance of that type of economic activity to the local population.

Table 10 – Economic Sectors

ECONOMIC SECTOR	DEFINITION/CLASSIFICATION OF APPLICABLE ACTIVITIES
Agriculture, forestry and fishing	The agriculture sector includes establishments and activities that are primarily engaged in farming activities, but also includes establishments focusing on commercial hunting; game propagation; forestry; logging; and fishing.
Mining and quarrying	This sector includes the extracting, beneficiating of minerals occurring naturally, including solids, liquids and crude petroleum and gases. It also includes underground and surface mines, quarries and the operation of oil and gas wells and all supplementary activities for dressing and beneficiating for ores and other crude materials.
Manufacturing	This sector is broadly defined as the physical or chemical transformation of materials or compounds into new products.
Utilities	This sector (generally referred to as “electricity” and “water”) includes the supply of electricity; gas and water; the production, collection and distribution of electricity; the manufacturing of gas and distribution of gaseous fuels through mains; supply of steam and hot water; and the collection, purification and distribution of water.
Construction	This sector includes the site preparation, building of complete constructions or parts thereof; civil engineering; building installation; building completion; and the renting of construction or demolition equipment with or without operators.
*Wholesale, retail trade, catering and accommodation	The trade sector entails wholesale and commission trade; retail trade; repair of personal household goods; sales; maintenance and repair of motor vehicles and motor cycles; hotels; restaurants; bars; canteens; camping sites; and other provision of short-stay accommodation.
Transport, storage and communication	Transport as an economic sector refers to activities concerned with land transport; railway transport; water transport; transport via pipelines; air transport; activities of travel agencies; post and telecommunications; courier activities; as well as storage and warehousing activities.
Finance, business and real estate	This sector includes inter alia financial intermediation; insurance and pension funding; real estate activities; renting or transport equipment; computer and related activities; research and development; legal; accounting; bookkeeping and auditing activities; architectural, engineering and other technical activities; and business activities not classified elsewhere.
*Government, community, social and personal services	This sector includes public administration and defense activities; activities of government; government departments and agencies; education; public and private; health and social work; sewage and refuse disposal; sanitation and similar activities; activities of membership organisations; recreational; cultural and sporting activities; washing and dry-cleaning of textiles and fur products; hairdressing and other beauty treatment; funeral; and related activities.

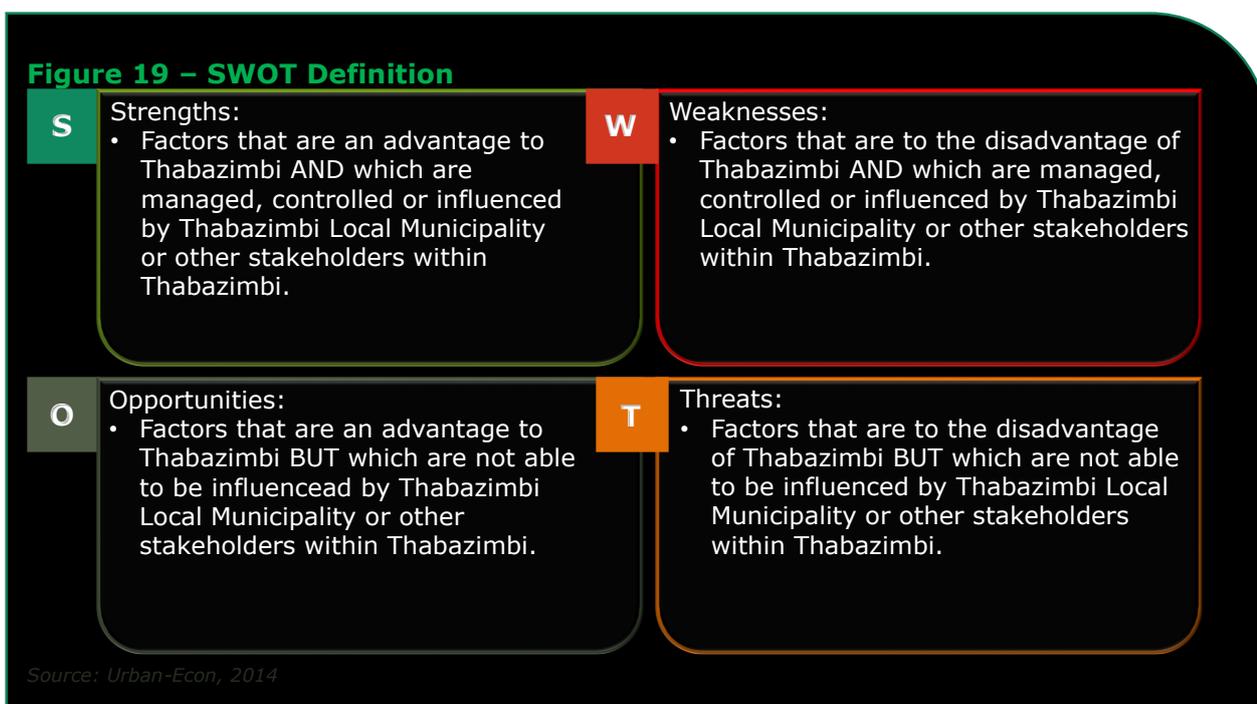
5.2.4 Tress Index

The Tress Index is a measurement of a region's economic diversification and concentration. Having a diverse economy plays a key role in the sustainability of an economy. A diverse economy is also more resilient and more defensive in times of economic volatility and decline.

To measure the economy's diversification and concentration, the tress index is utilised. A rating of zero represents a totally diversified economy. On the other hand, the higher the rating (closer to 100), the more concentrated or vulnerable the region's economy to exogenous variables, such as adverse climatic conditions, commodity price fluctuations, etc.

5.2.5 SWOT

SWOT analysis is an acronym for a study undertaken by an organization to identify its internal strengths and weaknesses, as well as its external opportunities and threats. For the purpose of this document, the Thabazimbi LM as a whole (and not just the municipality) will be considered (Figure 19).



5.3 Mining and Mining Beneficiation

The mining sector includes the extraction and beneficiation of minerals occurring naturally, including solids, liquids and crude petroleum and gases. It also includes underground and surface mines, quarries and the operation of oil and gas wells, as well as all supplemental activities for the dressing and beneficiating of ores and other crude materials (SIC).

5.3.1 Overview

5.3.1.1 National Context

South Africa is one of the richest countries in the world with regard to the world's supply of mineral resources. Eighty-eight percent of the world's largest resources of Platinum Group Metals that include manganese at eighty percent, chromium at seventy-two percent, gold at forty percent and alumino-silicates, are found in South Africa. South Africa also contributes forty percent of the global production of ferrochromium and vanadium. The country is the world's leading producer of chrome ore, vermiculite and alumino silicates, as well as one of the top three producers of gold, manganese ore, titanium minerals and fluorspar in the world.

The major locations of South Africa's abundant supply of minerals include:

- The **Witwatersrand Basin**: An area that holds a substantial amount of uranium, silver, pyrite and osmiridium and produces roughly ninety-four percent of the country's gold output.
- The **Bushveld Complex**: An area that is well known for its supply of platinum group metals, which include copper, nickel and cobalt mineralization, as well as its chromium and vanadium-bearing titanium-iron ore formations. The area also includes large deposits of industrial minerals such as fluorspar and andalusite.
- The **Transvaal Super Group**: An area that consists of vast resources of manganese and iron ore.

- The **Karoo Basin**: An area that spreads over Mpumalang, KwaZulu-Natal, the Free State and Limpopo that contains extensive deposits of bituminous coal and anthracite.
- The **Phalaborwa Igneous Complex**: An area composed of vast resources of copper, phosphate, titanium, vermiculite, feldspar and zirconium ores.
- **Kimberlite pipes**: Geological formations that can occur in alluvial, fluvial and marine settings which are the most important source of mined diamonds.
- The **Northern Cape near Aggeneys**: An area rich in deposits of **lead-zinc ores** that are connected with copper and silver resources.

5.3.1.2 Limpopo Province Context

Of the provinces in South Africa, Limpopo is one of the most "fertile" when it comes to mineral resources, both in abundance and variety. The number of mines currently operating in the province, according to the registers of the Minerals Bureau, is just a few shy of 80 with 50 of these mines being of small to medium scale. Several of the more important minerals found in Limpopo are discussed in further detail below.

Roughly eighty percent of the province's mineral wealth is found in the larger mining operations of the province, namely the Venetia diamond mine, the Grootgeluk and Tshikondeni collieries, the Amandebult, Northam, Potgietersrust, Messina, Lebow, Marula and Modikwa Platinum Mines and the copper and phosphate operations at Phalaborwa. Resources also found in the province can be found in an arcuate zone of the province, a sub-outcrop of the dark, basic rocks of the Bushveld Complex, which runs from Steelpoort in the east, through Grasvalley, south of Mokopane, Potgietersrus, to Swartklip in the west. The Bushveld rocks also have an extension that runs northward from Grasvalley, through Mokopane, almost to the Blouberg Mountains. Within this extension,

Potgietersrust Platinums is currently exploiting the Platinum Group Element (PGE), nickel copper and cobalt bearing Platreef, on the farm Sandsloot (MGC Wilson, Council for Geoscience, 2012).

One of the world's best mineral sources, that consists of large deposits of copper, magnetite, better known as iron ore, and apatite, also known as phosphates, and holds the world's chief deposit of vermiculite, an expanding mica used in horticulture, agriculture and constructions, is the Phalaborwa Complex. This site is also home to significant levels of zirconium, in the form of baddeleyite, uranothorianite, nickel and precious metals. The Phalaborwa Mining Company and Foskor are in the process of successfully mining these essential deposits. The Penge Formation at Kumba Resources' Thabazimbi LM Iron Ore Mine in the southwest of the province is the source of high-grade hematite that is shipped to the Vanderbijlpark and Newcastle steelworks, while in the east of the province, Mapoch and Magneethoogte serve as the point of supply for vanadiferous and titaniferous magnetites (MGC Wilson, Council for Geoscience, 2012).

Important minerals also found in the province include the Karoo sediments which consist, in part, of carbonaceous shales and coal. The coal from these sediments has been sheltered within the Waterberg, a series of four down faulted basins in the vicinity of Lephalale, Ellisras, Soutpansberg, along the northern flank of the Soutpansberg Mountains, Limpopo, along the southern bank of the Limpopo River, west of Musina, and Springbok Flats Coalfields. The Waterberg Coalfield, just one of the bountiful coalfields of this region, is estimated to contain more than forty percent of South Africa's local accessible coal reserves. The large Grootegeluk Coal Mine is presently the extraction point for these plentiful resources. Despite this,

Iscor's steel mills still receive their high-grade coking coal from the small Tshikondeni Mine, which is the only mine currently in operation in the smaller Soutpansberg coalfield (MGC Wilson, Council for Geoscience, 2012).

5.3.1.3 Waterberg District Context

5.3.1.3.1 Coal Mining

The Waterberg Municipality is home to a considerable number of operational mines. Coal mining takes place 25 km from Lephalale at Grootegeluk Mine. This placement takes advantage of the area's large cache of coal reserves, with an estimated mineable reserve of 2800Mt and a total resource of 4600Mt that includes resources of semi-soft coking coal, thermal coal and metallurgical coal. Grootegeluk operates as an open pit mine that uses a conventional truck and shovel process for its mining. It gives employment to two thousand people and produces 18.8 Mtpa¹ of final coal products for the municipality. Grootegeluk also has a complex where beneficiation of eight thousand tonnes per hour of run off is processed at six different plants.

The Matimba Power Station, a 3990 MW power generating station, receives 14.8 Mtpa of coal from the Grootegeluk Mine via a seven kilometre long conveyor belt. The coal from this mine is also sold locally to metal and similar industries on a short-term contract basis, one such example of this transaction is the sale of metallurgical coal that amounts to 1.5 Mtpa. In addition to these sales, 2.5 Mtpa of semi-soft coal is sent by rail directly to Mittal SA, which has a long-term supply agreement with Exxaro Resources Ltd and 1 Mtpa of semi-soft coking and thermal coal is sold either locally or exported via the Richards Bay Coal Terminal (Exxaro, 2013).

¹ Million Tonne per Annum

The new Medupi Power Station has presented the mine with the opportunity to expand its operations. In order to extract and process coal for the new station, Grootegeluk will have to make use of a revolutionary new process that will use mobile tipping bins and crushers in the pit near the benches. The equipment for this process will advance as the mine advances, thus giving rise to job creation and skills development in the industry.

A testament to the Grootegeluk Mine and supporting industries' importance to the Waterberg DM and the national economy is given by Transnet Freight Rail's proposed rail link. This link that forms part of Transnet's strategy to spend R300bn upgrading and expanding South Africa's rail and port infrastructure over the next seven years, is currently in the feasibility study stage, but upon completion, it will facilitate the transport of coal from the Waterberg region to the Richards Bay Coal Terminal.

5.3.1.3.2 Platinum Mining

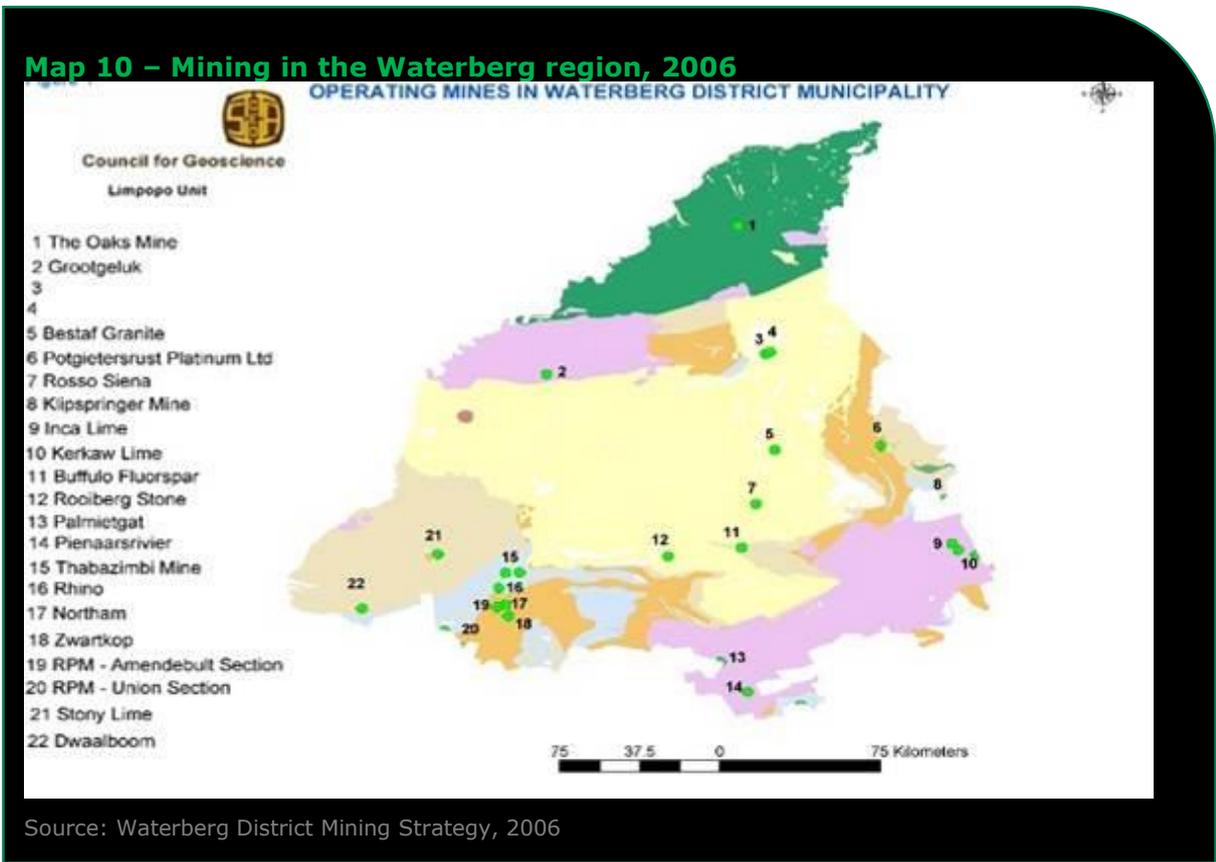
In 2005, seventy-eight percent of the world's platinum and similar metals, over 163,000 kilograms of platinum generating \$3.82 billion USD in export revenues, was produced in South Africa. Within the Waterberg DM, the mines at Mokopane and Amendelbult, owned by Anglo Platinum Ltd. (AMPLATS), as well as the Northam Platinum Ltd (Goldfields) mine in Northam, are the major producers of platinum.

5.3.1.3.3 Other Mining Activities in the Waterberg DM

Other important mining activities in the Waterberg DM include:

- Granite operations in Bakenberg
- Tin field deposits in Bakenberg and Rooiberg near the Marakele National Park. These deposits will have an influence on the future zoning of the Waterberg Biosphere Nature Reserve
- PPC operations near Thabazimbi LM

In Map 10, the different mining areas and mines in the Waterberg DM are indicated.



This gives a clear understanding of the mining activities present in the District.

5.3.1.4 Thabazimbi Local Municipality Context

Thabazimbi LM is rich in mineral resources, especially platinum and iron, large deposits of which are still unexploited.

The mining sector is the main and most important sector in the economy of the Thabazimbi LM, with iron ore and platinum as its chief products. The Thabazimbi LM currently has various mines that produce platinum, iron ore, cement and Andalusite. Table 11 provides an overview of the mines operating in the Thabazimbi Local Municipality.

Union Section

Union North Mine (Figure 20) is situated in both the Limpopo and the North West provinces of South Africa, 15 kilometres west of the town of Northam, and forms part of the north-western limb of the Bushveld Complex. It operates under part of a mining right covering a total of 119 square kilometres.

Union North's infrastructure consists of a vertical shaft (Richard Shaft) and of the 1S decline section. This section is serviced by another vertical shaft (Ivan Shaft), for hoisting purposes. The operating depth of the current workings is between 60 metres and 1,500 metres below surface.

Table 11 – Mines in Thabazimbi LM, 2014

Group	Company	Mine	Mineral
Anglo Platinum	Rustenburg Platinum Mine	Union Section	Platinum
Anglo Platinum	Rustenburg Platinum Mine	Amandelbult Section	Platinum
Northam Platinum Mine	Northam Platinum Mine	Zondereinde	Platinum, Copper, Nickel
Kumba Resources	Thabazimbi Iron Ore Mine	Thabazimbi Mine	Iron Ore
PPC		Dwaalboom Palygorskite	Cement
IMERYS	Rhino Andalusite Mine	Rhino Andalusite Mine	Andalusite
Sedibelo Platinum Mines Limited	Sedibelo Platinum Mines Limited (previously known as Platmin Limited)		
Cronimet	CRONIMET's Thabazimbi Chromium		Chromite ore

Source: <http://www.thabazimbi.gov.za/mining.php>

Figure 20 - Union North Mine, 2011 & 2012

	2012	2011
Safety		
Fatalities	1	1
LTIFR	1.19	1.31
Refined platinum production (000 oz)	69.3	98.3
Operating contribution (Rm)	(165)	338
Gross profit margin (%)	(22)	11
Operating free cash flow (Rm)	(209)	339
Net cash flow (Rm)	(240)	264
Cash on-mine costs/tonne milled	R625	R483
Mineral Resources inclusive of Ore Reserves		
Merensky	7.6 Mt ⇔ 1.6 4E Moz	
UG2	37.9 Mt ⇔ 6.9 4E Moz	
JV partner		
Bakgatla-Ba-Kgafela traditional community	(15%)	

Source: http://www.angloplatinum.com/business/operations/union_mine.asp

The mine extracts mostly UG2 Reef ore, but also produces limited Merensky Reef ore and treats low-grade surface ore and tailings. Three-quarters of Union Mine's underground production is done conventionally (using breast stoping with strike pillars), while hybrid mining occurs at the declines.

Union North's life-of-mine (LoM) extends to 2030, and consists of a Mineral Resource (exclusive of Ore Reserves) of 4.3 4E million ounces and an Ore Reserve of 3.2 4E million ounces. The Mineral Resource and Ore Reserve reported are 85% attributable to Anglo American Platinum Limited (Anglo American Platinum) and 15% attributable to the Bakgatla-Ba-Kgafela traditional community.

The Union North Mine output of equivalent refined platinum ounces decreased by 30.4% to 63,700 ounces between 2011 and 2012. The tonnes milled decreased to 1.73 million tonnes, a reduction of 26% over 2011. The decrease in volumes was caused by the depletion of low-grade surface material sources of 425 kt, the expected decline in Merensky ore mining and the illegal strike which spread over from Rustenburg to Union North Mine during

October 2012. The immediately available Ore Reserves ended the year at 18.8 months, some 38% higher than in 2011 following the successful execution of an aggressive drop-raising, ledging and equipping plan. Productivity decreased to 2.6 m² per operating employee, a decline of 19% from the 3.2 m² per operating employee reported in 2011.

Absolute cash on-mine costs were managed very well and decreased by 4% to R1.08 billion. Above-inflation expenses on electricity, wages and other key commodities were offset by lower expenditure on surface material sources and other savings. The cash on-mine cost per tonne milled increased by 29% to R625 per tonne owing to the depletion of low-cost surface sources and lower underground volumes. Consolidated cash operating expenses (costs after allowing for off-mine smelting and refining activities) per equivalent refined ounce rose by 35% to R18,627. The gross profit margin was -22%, down from 11% reported in 2011.

Total capital expenditure decreased to R88 million in 2012 (R129 million in 2011). Stay-in-business capital expenditure amounted to R73 million (R92 million in

2011), while project capital expenditure was R15 million (R37 million in 2011). Operating free cash flow (cash available after allowing for all direct and allocated indirect operating costs and stay-in-business capital) declined to -R209 million from R339 million in 2011.

In the Platinum Review, it is proposed that the Union North Mine be consolidated with Union South Mine and operations in the old declines section be stopped. Existing operations would continue prior to implementation of the Platinum Review findings.

Union South Mine

Union South Mine (Figure 21) is situated in both the Limpopo and the North West provinces of South Africa, 15 kilometres west of the town of Northam, and forms part of the north-western limb of the Bushveld Complex. It operates under part of a mining right covering a total of 119 square kilometres.

Union South's infrastructure consists mainly of one vertical shaft, namely the Spud Shaft, and of a declines section, consisting of three decline complexes. The operating depth of the current workings is between

100 metres and 1,500 metres below surface.

The mine extracts mostly UG2 Reef ore, but also produces limited Merensky Reef ore. Approximately 60% of the underground production at the Union South Mine is done by conventional mining at Spud Shaft (using breast stoping with strike pillars), with the remainder being hybrid mining at the declines section (mechanised development with conventional breast stoping and the removal of broken ore by belts).

Union South's life-of-mine (LoM) extends to 2035, and consists of a Mineral Resource (exclusive of Ore Reserves) of 29.0 4E million ounces and an Ore Reserve of 6.5 4E million ounces. The Mineral Resource and Ore Reserve reported are 85% attributable to Anglo American Platinum Limited (Anglo American Platinum) and 15% attributable to the Bakgatla-Ba-Kgafela traditional community.

One employee lost his life at Union South Mine during 2012. There was, however, a significant improvement in the overall safety performance at the Union South Mine, with the lost-time injury-frequency

Figure 21 - Union South Mine, 2011 & 2012

	2012	2011
Safety		
Fatalities	1	1
LTIFR	1.08	1.31
Refined platinum production (000 oz)	143.7	174.8
Operating contribution (Rm)	(40)	724
Gross profit margin (%)	(10)	15
Operating free cash flow (Rm)	(87)	712
Net cash flow (Rm)	(288)	438
Cash on-mine costs/tonne milled	R884	R765
Mineral Resources inclusive of Ore Reserves		
Merensky	76.3 Mt ⇨ 15.2 4E Moz	
UG2	135.8 Mt ⇨ 23.8 4E Moz	
JV partner		
Bakgatla-Ba-Kgafela traditional community	(15%)	

Source: http://www.angloplatinum.com/business/operations/union_mine.asp

rate improving by 18% to 1.08 from 1.31 in 2011.

The solid production performance of the first half of 2012 was hampered by the illegal strikes in the second half of the year and the mine's output of equivalent refined platinum ounces decreased by 19% to 132,000 ounces compared to 162,700 ounces in 2011. The tonnes milled decreased to 2.2 million tonnes, a reduction of 10.6% from 2011 (2.4 million tonnes). The immediately available Ore Reserves ended the year at 18.6 months, a decrease of 12% from the 2011 figure of 21.1 months. Productivity decreased to 4.3 m² per operating employee per month, declining 12% from the 4.9 m² per operating employee reported in 2011.

Cash on-mine costs were managed well and increased below inflation by 3% to R1.93 billion. The cash on-mine cost per tonne milled increased by 16% to R884 per tonne owing to the lower underground volumes.

Cash operating expenses (costs after allowing for off-mine smelting and refining activities) per equivalent refined ounce rose by 26% to R16,305. The gross profit margin was -10%, down from the 15% reported in 2011. Total capital expenditure decreased to R293 million in 2012 (R399 million in 2011). Stay-in-business capital expenditure amounted to R126 million (R190 million in 2011), while project capital expenditure was R167 million (R209 million in 2011).

Capital work in execution at the Declines (4B, 4 South, 3 South and 5 South) was ended on 31 December 2012 owing to capital constraints, and clean-up operations will continue in the areas where they have already been established. The remaining areas between the Spud Shaft and the Declines will be extracted from the Spud Shaft. A revision of 5 South Decline will be undertaken during 2013 to establish possible future extraction potential. The Union Deeps project targets the Merensky and the UG2 Reef horizons below the 27-

level infrastructure serving the current Spud and Richard operations. The study process is at a concept-study phase.

Operating free cash flow (cash available after allowing for all direct and allocated indirect operating costs and stay-in-business capital) declined to -R87 million from R712 million in 2011.

In the Platinum Review it is proposed that the Union South Mine be consolidated with the North Mine. Existing operations would continue prior to implementation of the Platinum Review findings.

Dishaba Mine

The Dishaba Mine (Figure 22) is situated in the province of Limpopo in South Africa, between the towns of Northam and Thabazimbi LM, and forms part of the north-western limb of the Bushveld Complex. The mine operates under a mining right covering a total area of 31 square kilometres.

The mine's infrastructure consists of one vertical shaft, one raise bore and four decline shafts. The Dishaba mines on both the Merensky and the UG2 Reef horizons, and the mining layout is scattered breast mining with strike pillars. The operating depth for the current workings is between 30 metres and 1,250 metres below surface.

Dishaba's life-of-mine (LoM) extends to approximately 2058, and consists of a Mineral Resource of 14.4 4E million ounces (exclusive of Ore Reserves) and an Ore Reserve of 15.2 4E million ounces.

The mine made significant strides in safety during 2012 with the mine achieving zero fatalities and improving its lost-time injury-frequency rate with 53%. These successes can be ascribed to improved systems and initiatives implemented to reduce employee risk behaviour, supported by an enhanced underground support regime and good communication with employees.

The Dishaba Mine produced 145,200 equivalent refined platinum ounces for

Figure 22 - Dishaba Mine, 2011 & 2012

	2012	2011
Safety		
Fatalities	0	1
LTIFR	0.90	1.94
Refined platinum production (000 oz)	148.4	161.9
Operating contribution (Rm)	351	701
Gross profit margin (%)	6	16
Operating free cash flow (Rm)	47	655
Net cash flow (Rm)	18	592
Cash on-mine costs/tonne milled	R1,040	R966
Mineral Resources inclusive of Ore Reserves		
Merensky	46.3 Mt	⇒ 10.4 4E Moz
UG2	139.1 Mt	⇒ 24.6 4E Moz

Source: http://www.angloplatinum.com/business/operations/dishaba_mine.asp

2012, some 3.4% below the figure achieved in 2011. The mine started the first half of 2012 very strong and production exceeded 2011 six-month delivery by 9%. This performance was eroded by the illegal strikes, which started in Rustenburg in September 2012, spreading over to Dishaba in October 2012. The immediately available Ore Reserves were at 17.5 months, compared with 19.1 months in 2011, while the 4E built-up head grade improved 1% to 4.82 g/t. Productivity decreased by 2.1%, to 4.7 m² per total operating employee.

Cash on-mine costs were controlled in line with overall inflation and increased by 7% to R1.93 billion. The cash on-mine cost per tonne milled rose by 7.7% to R1,040, while cash operating expenses (costs after allowing for off-mine concentrating, smelting and refining activities) per equivalent refined ounce increased by 11%, to R14,606.

The gross profit margin of the operation was 6%, down from 16% in 2011.

Total capital expenditure decreased by 18% to R130 million in 2012 (it was R158 million in 2011). On-mine stay-in-business capital expenditure amounted to R125 million (R132 million in 2011), while project capital

expenditure was R5 million (R26 million in 2011).

The backfill project, which began in 2004 but was then deferred in 2008, recommenced in 2011 and has now progressed through the feasibility study into the approval stages. Poor ground conditions at 18 Level and lower on the Merensky Reef horizon require backfilling before mining can be executed safely. Although it was anticipated that R150 million would have been spent in 2013, this project was deferred as a result of capital constraints.

Operating free cash flow (cash available after allowing for all direct and allocated indirect operating costs and stay-in-business capital) declined to R47 million from R655 million in 2011.

The Dishaba Mine will not be impacted by the Platinum Review. The operation is expected to produce between 150 koz and 165 koz of platinum in 2013.

Tumela Mine

The Tumela Mine (Figure 23) is situated in the province of Limpopo in South Africa, between the towns of Northam and Thabazimbi LM, and forms part of the north-western limb of the Bushveld Complex. The mine operates under a mining right

Figure 23 - Tumela Mine, 2011 & 2012

	2012	2011
Safety		
Fatalities	0	1
LTIFR	1.56	1.60
Refined platinum production (000 oz)	221.8	284.4
Operating contribution (Rm)	218	1,481
Gross profit margin (%)	(2)	21
Operating free cash flow (Rm)	(261)	1,365
Net cash flow (Rm)	(369)	1,264
Cash on-mine costs/tonne milled	R958	R708
Mineral Resources inclusive of Ore Reserves		
Merensky	151.2 Mt ⇨ 37.8 4E Moz	
UG2	315.9 Mt ⇨ 56.5 4E Moz	

Source: http://www Angloplatinum.com/business/operations/tumela_mine.asp

covering a total area of 110 square kilometres.

The current working mine infrastructure consists of three vertical and four decline shaft systems to transport rock, workers and material. The mining occurs on both the Merensky Reef and the UG2 Reef horizons, and the mine is subdivided into two production areas, namely the Tumela lower mine and the Tumela upper mine. The predominant mining layout is conventional scattered breast mining with strike pillars. The operating depth for the current workings is between 180 metres and 895 metres below surface.

Tumela's life-of-mine (LoM) extends to 2034, although projects in study could extend the LoM to beyond 2050. It consists of a Mineral Resource (exclusive of Ore Reserves) of 82.3 4E million ounces and an Ore Reserve of 9.4 4E million ounces.

Tumela Mine had no fatalities during 2012 and total injuries reduced to 155, a 24% year-on-year improvement. The lost-time injury-frequency rate improved marginally by 2.5% to 1.56 in 2012.

Equivalent refined platinum ounces decreased by 17.8% to 217,100 ounces in 2012. The mine had a difficult production year and the first half of 2012 showed a

decline of 20% in production of equivalent refined ounces over the same period in 2011, mainly as a result of the depletion of low-grade surface sources and concentrator ounce lock-ups resulting from operational challenges at the Amandelbult concentrators. These challenges were resolved during quarter three and the production was increasing steadily. However, the spread of the illegal strikes which started in September 2012 in Rustenburg over to Tumela on 4 October 2012 until mid-November 2012, resultantly disrupted any possible chance of production recovery in the second half of 2012. The tonnes milled decreased by 22% to 3.29 million tonnes, while the 4E built-up head grade increased by 5.4% to 4.12 g/t, as the result of resolving the concentrator challenges and a decrease in treating of low-grade surface material. The immediately available Ore Reserves ended the year on 26.1 months, 7.8% lower from the 2011 levels of 28.3 months, but substantially above a required 18.0 month target. Productivity declined to 4.2 m² per operating employee from 5.2 m² per operating employee in 2011.

Cash on-mine costs increased 6% to R3.16 billion in 2012, which reflects strong cost control management in light of the above-

CPI inflation increases on labour, electricity and key input commodities. The lower volumes produced as a result of the factors mentioned impacted unit costs adversely and the cash on-mine cost per tonne milled increased by 35% to R958, while the cash operating expenses (costs after allowing for off-mine smelting and refining activities) per equivalent refined ounce increased by 28%, to R15,778.

The gross profit margin of the operation was -2%, down from 21% in 2011.

Total capital expenditure increased to R303 million in 2012 (R293 million in 2011). Stay-in-business capital expenditure was R230 million (R256 million in 2011), while project capital amounted to R73 million (R37 million in 2011).

The Tumela 4 shaft project was deferred in October 2008 following the global financial crisis. Evaluation of extraction options for Mineral Resources associated with the 4 Shaft area, and deeper areas below Tumela 1 Shaft have been concluded and are currently in concept study phase. Initial capital investment in Tumela 4 shaft surface infrastructure, amounting to R0.6 billion, has been written down in 2012. Further details on the capital write-down are depicted on page 196 of this report.

Operating free cash flow (cash available after allowing for all direct and allocated indirect operating costs and stay-in-business capital) declined to -R261 million from R1.36 billion in 2011.

Tumela Mine will not be impacted by the Platinum Review. The operation is expected to improve its safety performance in 2013 while returning to previous equivalent refined platinum ounce production levels of around 260 koz to 280 koz per annum.

Kumba

The Kumba Iron-Ore Mine is an open pit mine that has benefitted from iron-ore mining in the area since 1931. Post-2016, Kumba's Project Phoenix will come on-

stream at the Thabazimbi LM as a new commercial mine to replace production from the current mine. Kumba launched Project Phoenix, which is currently in its feasibility study phase, to implement the best way to extract and beneficiate the project's ore resources. Ultimately, the company believes that this can result in a new commercial operation with a life of mine of more than 20 years, by producing 3,4Mtpa. Even if Project Phoenix extends the LoM with a further 20 years, far-reaching measures need to be put in place for economic sustainability after the post-mining era.

Little mining beneficiation takes place within the Thabazimbi LM. The Mortimer Smelter is one of the three smelting operations in the Anglo Platinum Group. It is located in the Thabazimbi LM, approximately 15 km west of Northam. The smelter operation is the smallest of the three smelting operations in the group, with a smelting capacity of 170 kt/annum.

Zondereinde

The Zondereinde Mine is wholly owned by Northam Platinum Limited and is located on the upper end of the western limb of the South African Bushveld Complex. Operational since 1993, the mine is established and continues to operate at steady state levels and remains cash generative and profitable, producing some 300 000oz annually. Future production at Zondereinde mine is estimated to continue until 2029.

The mine has good access and organisation with well-established infrastructure such as tarred roads, railway, water and power. The project extents 7,625 hectares with a strike length of 8km. The mine has an estimated reserve of 7.7Moz (3PGE+Au) and 81.7Moz (3PGE+Au) Resources.

Underground mining operations are exploiting two reefs - the Merensky and UG2 reefs - via a twin shaft system at depths varying between 1,294 and 2,115

metres below surface. Mining activities are driven by hydropowered equipment, a technological innovation pioneered by Northam, and which has now become common practice in deep-level mines.

Surface infrastructure comprises two concentrator plants (for both Merensky and UG2 ore), a smelter and base metals removal plant (BMR) where copper (Cu) and nickel (Ni) are extracted from the high grade PGM concentrate, and a slag treatment plant. Final PGM concentrate is refined at the Heraeus precious metals refinery in Port Elizabeth, South Africa, the Heraeus Refinery South Africa (HRSA) and at its refinery in Hanau, Germany.

Northam markets its metals to an established customer base, both domestically in South Africa and in the major economic centres of the world, including North America, Europe and Japan. The company is known as a reliable and independent supplier of metals of London and Zurich 'good delivery' status.

PPC Dwaalboom

Dwaalboom is a cement plant. It has a clinker capacity (Mt) of 720,000tpa. It is operated with a five stage cyclone preheater dry kiln. It has two ball mills and is currently making use of coal as a fuel source, although alternative fuel sources at the clinker plants are being investigated.

Carbonaceous spent pot lining expansion at Dwaalboom is under way and will allow for co-process additional spent pot linings at this facility. It will also enhance the quality of clinker at Dwaalboom by equalising quality between the two kilns while increasing revenue for the operation. Returns of 40% over a three-year period are projected.

Trollope Mining Services (TMS)

The Rhino Andalusite Mine belongs to IMERYS, a French company with its head office in Paris, France. It is listed on the French stock exchange.

The majority of the andalusite produced at Rhino is exported to Europe and Asia, Europe being the biggest consumer. Small quantities are also exported to the USA, Australia and Turkey. World demand for andalusite is in the region of approximately 250,000 tons per annum.

Trollope Mining Services has been carrying out the mining of andalusite and waste at the Rhino Andalusite Mine since 1986. Their contract also includes the hauling of andalusite concentrate, which is fed into the plant and is renewed on an annual basis.

Sedibelo Platinum Mines Limited

Sedibelo Platinum Mines Limited, a developing producer of platinum group metals (PGMs), incorporated in Guernsey as a mineral exploration company, is active in the acquisition, exploration for, and development and operation of deposits on the world's premier PGM resource, the Bushveld Complex in South Africa. Sedibelo Platinum Mines Limited's focus is on brownfield rather than greenfield exploration and developments because of the investment attraction of the former.

Cronimet

Since 2011, Cronimet has been mining chromite ore at the Thaba Chrominet Chrome-Platinum Mine, also known as Thaba Mine. With around 200 employees and cutting-edge technology, they mine an annual volume of 250 tons from a depth of up to 35 metres. They connect the logistics chain by subsequently processing the chromite ore into ferrochrome and trading this product on the global market.

Mining Beneficiation

The mining sector will remain a major part of the Thabazimbi LM local economy for a long time as many mines in Thabazimbi LM still have a lifespan and new operations are already being investigated.

Some mining beneficiation does take place within the Thabazimbi LM, but the majority

of the beneficiation still takes place outside of the municipality.

In 2012, the Anglo Platinum increased its smelting capacity by upgrading its Mortimer Smelter's furnace and auxiliary equipment. This upgrade successfully achieved the planned interim ramp-up target of 34 MW operation, en route to ultimate 38 MW operation.

The operation consists of a Larox filtration plant, a Drytech flash drying plant, a modified Elkem / Hatch 19.5 MVA furnace, and a 60 t/h matte crushing plant. The operation does not convert its furnace matte, so the final sulphide rich matte is transported and processed further at the Anglo Platinum Converting Process (ACP) within the Waterval Smelter Complex in Rustenburg. Furnace slag is granulated and processed through a slag mill or transported to a slag dump.

5.3.2 Current Situation

5.3.2.1 Production Output Levels

The Thabazimbi Local Municipality has a significantly higher production output than any other Local Municipality within the Waterberg District (Figure 24).

The mining sector had shown a slight decrease in production output since 2002, but has been reasonably stable the past four years.

The labour strikes in the Platinum Belt will most likely affect the 2014 production output levels.

5.3.2.2 Employment Trends

Although actual mining employee numbers had almost doubled since 2000 (14 668) to 2011 (33 492), the proportionate number of residents employed by mines had slightly decreased. (Figure 25). Despite this, mining

Figure 24 - Mining Production Output in Thabazimbi LM, 2000-2014

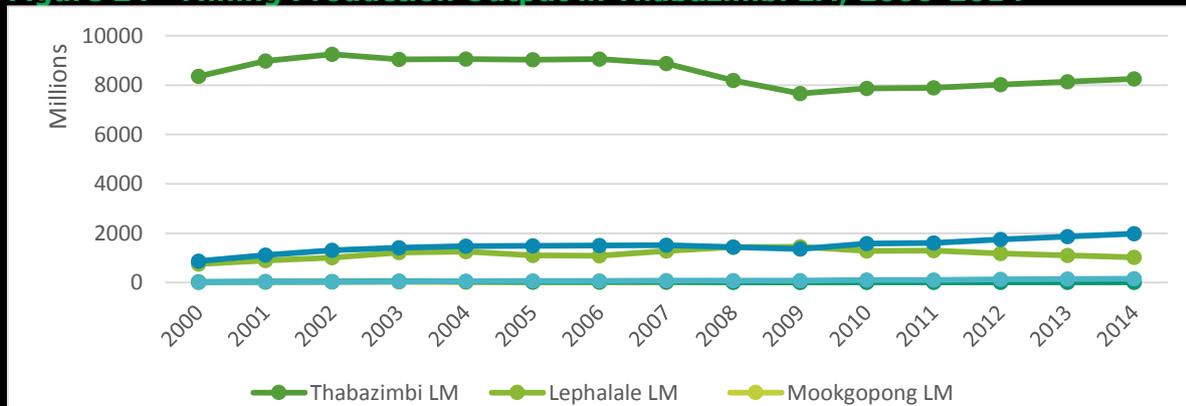
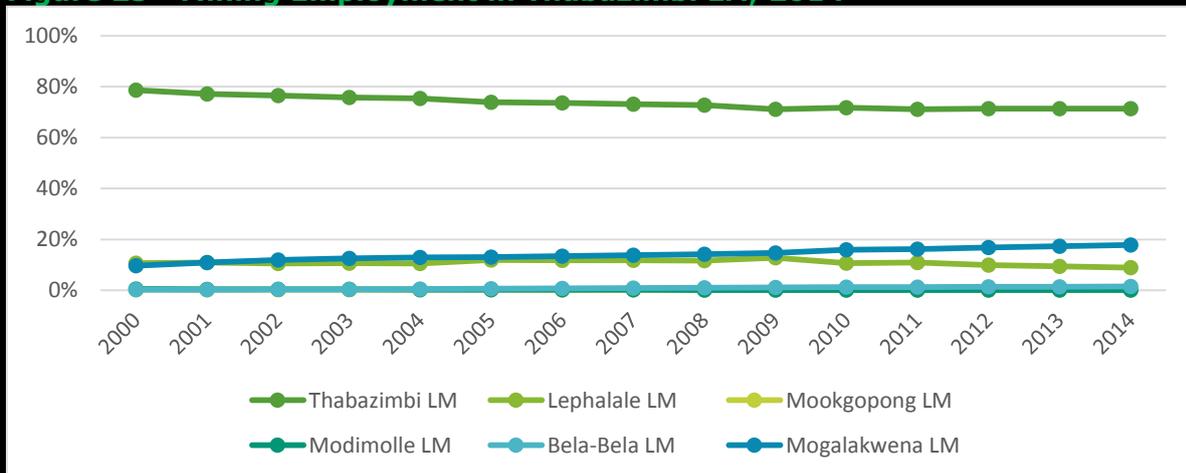


Figure 25 - Mining Employment in Thabazimbi LM, 2014



Source: Standard Regional Quantec Research, 2014

is still the dominant source of employment within the Thabazimbi LM.

5.3.2.3 Location Quotient

The LQ assessment identifies sectors that warrant attention for targeting efforts by evaluating levels and changes of the LQ value.

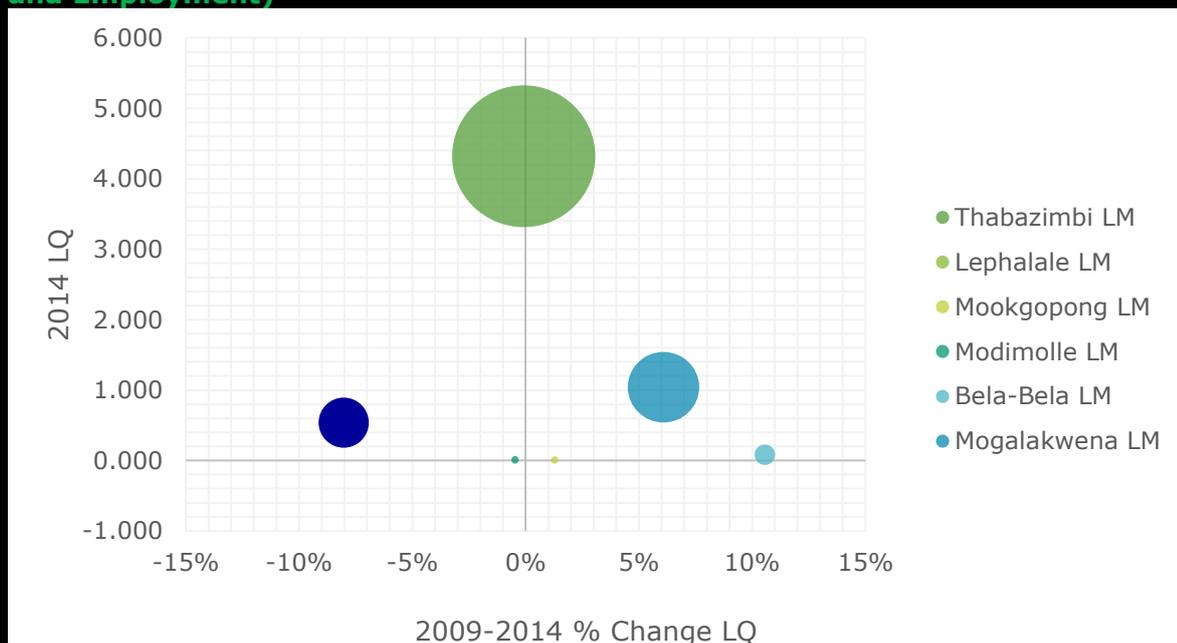
The LQ shown in Figure 26 indicates that mining plays a significant role within the Thabazimbi LM economy. This sector therefore warrants further attention.

5.3.3 Development Potential

5.3.3.1 Potential Analysis

- Thabazimbi LM is rich in minerals, especially Iron, Platinum and Cement, which have established local and international markets with stable demand.
- Little mining beneficiation currently takes place within the Thabazimbi LM. The opportunity to expand beneficiation efforts exists, which in turn could create many employment opportunities, e.g. manufacturing of concrete and steel building materials, steelworks and catalytic convertors components.
- The close proximity of mines to each other between Northam and the Thabazimbi LM, makes it ideal for cluster development. This could lead to the development of a local mining supplier park and a mining industrial and warehousing park.
- The Thabazimbi and Northam rail line is currently underutilised. Potential exists to use existing infrastructure such as electricity supply and the rail line for any cluster development.
- There are many opportunities for mining to link with other sectors such as tourism, e.g. mine tours and trade, e.g. local procurement.
- The in-town training facility courses can be expanded and offered at a higher educational level, to include the development of skills that will make the member of the community more employable within mining support services, e.g. fitter and turners, masonry skills, boiler makers, sheet metal workers, welders, truck driving courses, etc.
- Knowledge spill-overs from mining into the other sectors will benefit the whole economy.

Figure 26 - Location Quotient of the Mining Sector per LM, 2013 (Production and Employment)



Source: Standard Regional Quantec Research, 2014 *ROC – Rate of change p.a. between 2007 and 2013

- Mines are willing to invest in projects that will create sustainable jobs for the municipality's residents, so efforts should be made to bring mining houses together in order to come up with a way for each to contribute to the development and diversification of the economy through the funding of projects in other sectors.
- Mining operations can provide substantial employment opportunities.

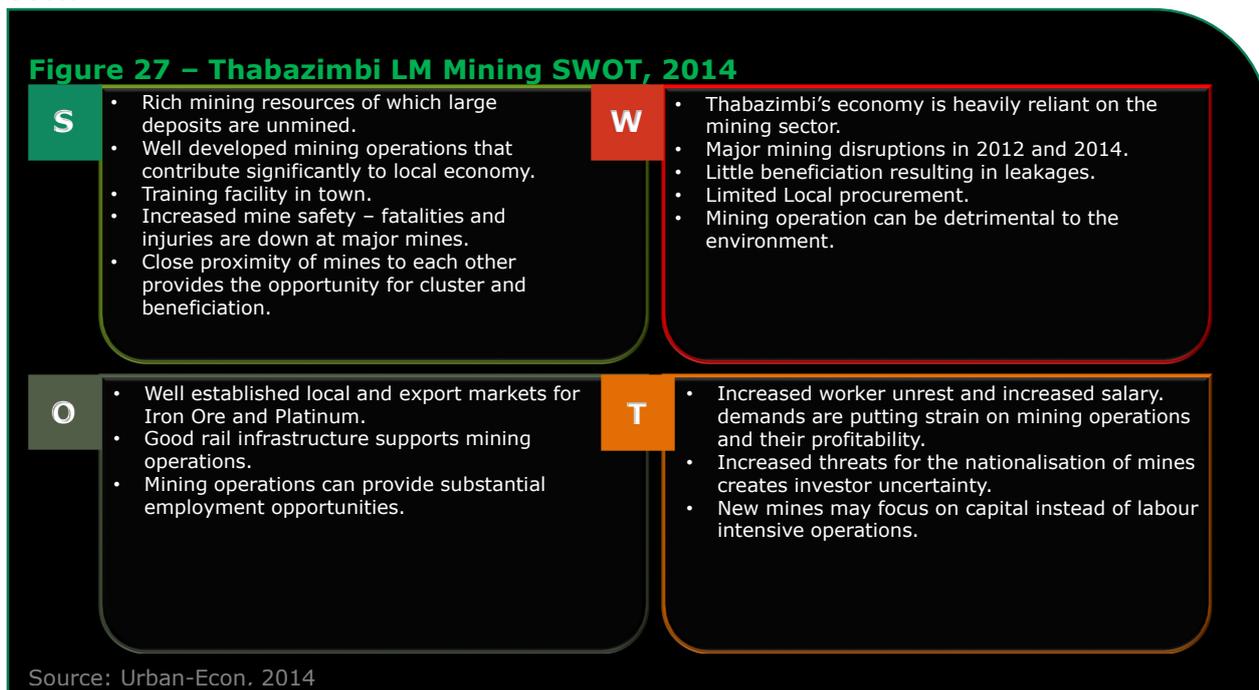
5.3.4 Development Constraints

- Water intensive mining beneficiation is greatly hindered by the fact that water is a scarce resource in the Thabazimbi LM.
- Mining has a major impact on the environment. When mining activities cease in an area, the physical legacy of the mining activity remains in the form of land areas that have:
 - Potentially been sterilised for development through the properties of the mine dumps, silt dams and the undermining of the land.
 - Physical barriers, preventing spatial integration between these areas.
 - Left visual scars on the urban landscape (LPG, 2012 Limpopo Province Freight Transport Data Bank).
- Labour unrest and increased salary demands are adding to the cost of mining operations. Strikes in 2012 and 2014 had huge cost burdens for both mining houses and labour.
- According to press releases, many mines are considering mechanising new mines, which will have a serious implication on the number of people that will be employed in the future.
- There are increasing calls for the nationalisation of mines, creating uncertainty in the sector and markets.
- Workers who are trained in technical skills are often not able to be absorbed into the mines.
- There is a lack of coordination and engagement between the mining houses and the municipality.

- The Thabazimbi LM's economy is already heavily reliant on the mining sector so development should not increase this reliance.
- Very little mining beneficiation takes place within the Thabazimbi LM, resulting in leakages and gaps in the mining value chain.
- There is limited local procurement of the supplies needed by mines as the majority of mining supplies are bought from neighbouring provinces.

5.3.5 SWOT

Figure 27 provides a SWOT analysis that summarises the Thabazimbi LM's Mining Sector.



5.4 Agriculture and Agro-Processing

5.4.1 Overview

The agricultural sector incorporates establishments and activities that are primarily engaged in farming activities, but also includes establishments focusing on commercial hunting and game propagation and forestry, logging and fishing (SIC).

The agriculture and agro-processing industries are economic drivers. They provide significant value addition, employment for low, semi and high skilled workers and an opportunity to increase rural income, improve food security and reduce poverty.

5.4.1.1 National Context

South Africa has a well-established agricultural sector. South Africa produces high quantities of food produce and is self-sufficient in virtually all major agricultural products.

Agriculture plays an important role in the South African economy, as evidenced by the fact that its total contribution to the economy increased from R35 billion in 2000 to R39 billion in 2009, as well as the fact that it provides employment and income, directly and indirectly, to roughly 8.5 million people in the country. South Africa only has about 12% of its land that can be used for crop production and only 22% of that 12% is high potential arable land, some 1.3 million ha of which is under irrigation, which means that only 1.5% of South Africa's agricultural land is being utilised. Despite this fact, the dual agricultural economy, which includes a well-developed commercial sector and a largely subsistence-oriented sector in the rural areas, continues to do well as shown by the statistic that primary commercial agriculture contributes about three percent to South Africa's Gross Domestic Product (GDP) and roughly seven percent to formal employment. In addition, there are strong backward and forward linkages into the

economy, which make it so that the agro-industrial sector is actually estimated to constitute roughly twelve percent of GDP.

A number of factors are used to subdivide the country in terms of farming regions. These factors include climate, natural vegetation, soil type and the type of farming practised. The agricultural activities practiced in these different regions have a wide range, from intensive crop production and mixed farming in winter rainfall and high summer rainfall areas, to cattle ranching in the bushveld and sheep farming in the more arid regions which are prone to drought due to South Africa's geographical location.

Imports and exports play a major role in South Africa's agricultural economy. The main products that South Africa imports include wheat, rice, oil cakes, vegetable oils and poultry meat. The biggest exports of the country include wine, citrus, sugar, grapes, fruit juice, wool and deciduous fruit such as apples, pears and quinces. South Africa exports also include non-alcoholic beverages, avocados, pineapples, groundnuts, preserved fruit and nuts, as well as hides and skin. South Africa possesses the ability to be self-sustaining in almost every major type of agricultural product, yet despite this fact, the rate of growth for exports has been slower than that of imports. In 2008, the estimated value of imports was R38.4 billion compared to R44.3 billion in exports.

Many roles in the economy are fulfilled by agriculture. Agriculture's involvement in employment and food security has a significant impact on averting socio-economic ills of the country. Agriculture also assists other industries in the upstream supply chain by providing the raw materials needed for production, a by-product of which is the generation of secondary and tertiary employment in urban areas. In addition to this contribution, the output of agriculture also helps to generate the much needed foreign currency for the country

through exporting products to other countries. Agriculture's demand for manufactured goods, such as tractors and vehicles, also helps to drive the economy by providing additional work for the manufacturing sector.

Several of the competitive trends in agriculture in South Africa include:

- Increasing competitive trends in the value chains of maize, apples, pineapples, grapefruit and mohair.
- Maize: increasing due to improved technology and deregulation of the maize market in favour of the maize future markets.
- Wheat, tobacco, chicken meat and pork industries all have increasing marginal returns.
- Some chicken meat and pork requirements are imported from regional and overseas countries.
- Tobacco: does not have suitable climatic and soil conditions to be truly competitive.
- Cotton and barley: increasing competitive trends in value chains but production is not competitive.
- Sugar production: decreasing competitiveness trend in value chain due to state interferences in sugar pricing, but is still relatively competitive compared to other products (OECD, 2006).
- Decreasing competitiveness trends in value chains of groundnuts, oranges, grapes, wool, plums, hen eggs, hides and skins, but all remain relatively competitive
- Decreasing marginal competitive trends in value chains of potatoes, sunflower, tomatoes, milk, soya beans, mushrooms, olives and beef.
- Beef: some high value cuts are exported to the European Union (EU), while some beef is imported from SADC countries, such as Namibia and Botswana, in order to meet domestic demand requirements.

5.4.1.2 Limpopo Province Context

Limpopo is a province that is rich in agricultural resources, which helps to make it one of South Africa's leading agricultural regions, best known for the production of livestock, fruits and vegetables, cereals and tea (LDA, 2012). One of the key reasons for the province's abundance is its size. It covers an area of 12.46 million hectares, which adds up to about 10.2% of the total area of the country. Despite its abundance of resources, Limpopo does suffer from one major limitation, its scarcity of water. The province requires irrigation for roughly 137,000 hectares of land, of which 58,000 are in the hands of black small-scale farmers who have even more limited access to sufficient water than anyone else.

The province has three distinct climatic regions, which are:

- Lowveld regions, which are arid and semi-arid
- Middle veldt, highveld, semi-arid region
- Escarpment region, which has a sub-humid climate with rainfall in excess of seven hundred millimetres per annum

Limpopo is lucky to have such a range of climates as it is this feature which allows the province to produce such a variety of agricultural products which ranges from tropical fruits, such as bananas and mangoes grown in the Tzaneen and Louis Trichardt areas to cereals, such as maize and wheat grown in the Bela-Bela and Modimolle areas to vegetables, such as tomatoes, onions and potatoes grown in the Polokwane and Mokopane areas.

Related to the diverse climates of the province are the variety of soil types found in it as well, which vary in productivity. The different types of soil in Limpopo require careful management strategies to be in place in order for their productivity to be improved and sustained as, if not properly regulated, the soils are susceptible to physical, chemical and biological degradation.

The characteristics of the soils, climate and topography of the province have resulted in the following proportions, as given by the LDA, for categorising land capacity in Limpopo:

- Arable farming: 37.7%
- Grazing: 50.1%
- Wildlife: 12.2%

Dualism that consists of the traditional subsistence sector and the modern capital-intensive plantations existing separately without any involvement with each other as they develop, is declining in the province due to land reform outcomes and the involvement of black entrepreneurs in the agribusiness value chain. Despite this, two distinct types of agricultural production systems remain as a result of past policies instituted by the past government under the apartheid regime. These systems are:

- Small holder farming system (developing from the subsistence sector)
- Large scale commercial farming system (developing from the more modern sector)

This separation will be phased out over time as the outcomes of land reform and the acquisition of interests by black entrepreneurs in agribusiness take full effect (LDA, 2012).

As stated previously, the total land area of Limpopo is roughly 12.6 million hectares. Of this total area, 88.2% is made up of farmland and of this total farmland, 14.7% and 14% comprise potential arable land in developing agriculture in the former homeland and commercial agriculture respectively.

The small holder farming system is predominant in the former homeland areas. The farms cover roughly thirty percent of Limpopo's land surface area and are characterised by outdated production technology and small land portions per farmer, roughly 1.5 hectares per farmer,

which allows the farmer to produce at subsistence level with very little left to market. The majority of these small holder farmers, roughly 80% of the 303,000 estimated in Limpopo in 2000, are women (Statistics South Africa, 2002). As these farms are mostly located in rural areas and roughly 89% of Limpopo's population is designated as rural, it is obvious that agriculture plays a leading role in the economic development of rural areas.

The large scale commercial farming system takes place over roughly seventy percent of the province's total land area. The white farmers who practice this system operate large, well organised commercial farms located on prime land that use the most advanced production technology. There is currently an estimated number of 5,000 of these farms in operation in Limpopo (Statistics South Africa, 2012).

Agriculture is connected to almost every other sector of the economy, but it has the biggest tie to the manufacturing sector. Agriculture and manufacturing are integrally linked as manufacturing contributes approximately twenty-seven percent to final agriculture output, as some agricultural output requires input from the manufacturing sector and in return, roughly fifteen percent of final agricultural output is used as input in the manufacturing process to produce final manufactured products.

The other sectors of the economy such as trade, transport and financial business contribute about five, three and one percent respectively to the value of final agricultural output, as indicated by the LDA. These values show the linkages between agriculture and the rest of the economy by illustrating how important agriculture is to these other sectors. The importance of the agricultural sector lies in the fact that it is comprised of primary agricultural production as well as pre-input and input sectors, financial sectors, marketing sectors and agro-processing (manufacturing) sectors.

5.4.1.3 Waterberg District Context

One of the biggest contributors toward the agricultural sector of Limpopo is the Waterberg region, as indicated in the economic review. This is true even to spite the fact that the region is semi-arid, which limits its potential for intensive crop production (SDF, 2013).

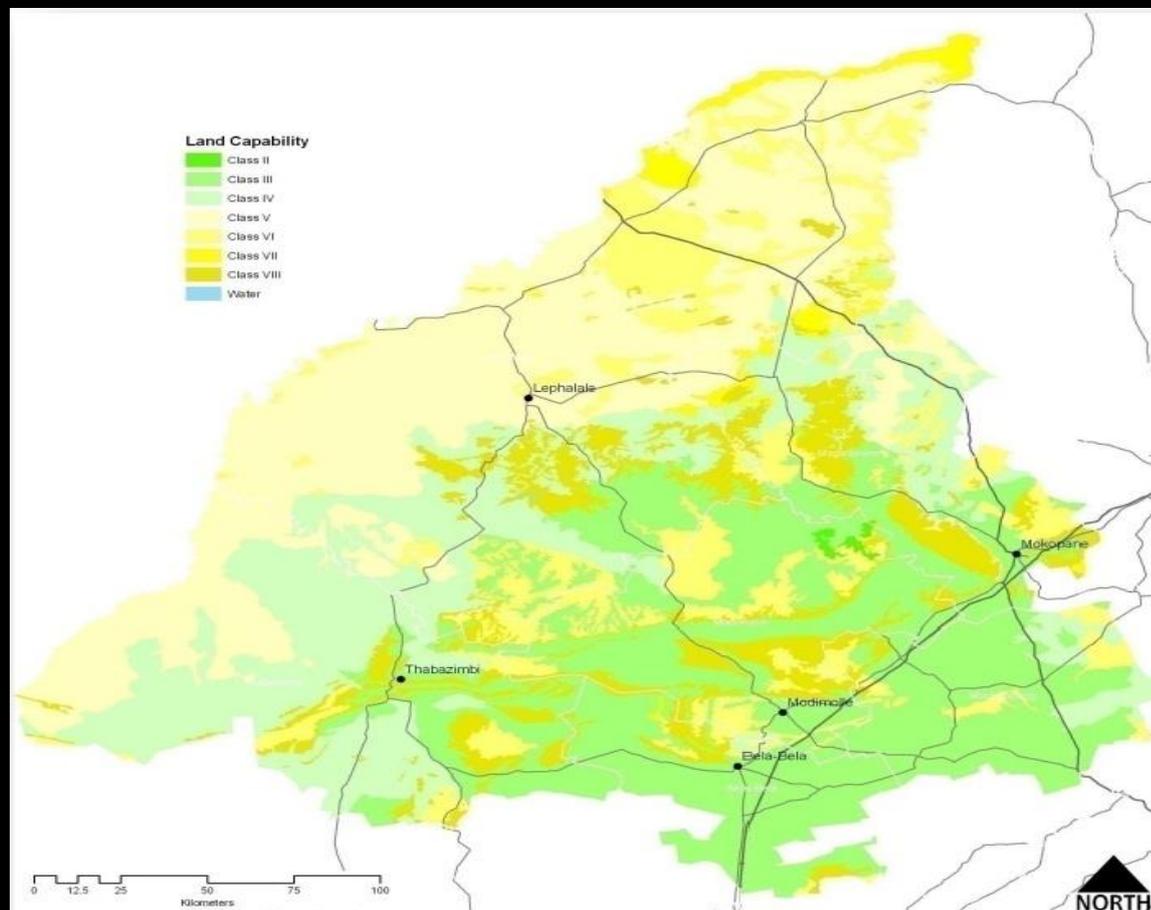
The agricultural potential of the Waterberg region is intimately associated with topographical, pedagogical (soil) and climate factors. As can be seen in Map 11 and Figure 28, most of the land capability for intensive and moderate cultivation is located in the eastern and southern parts of the region.

Generally speaking for the Waterberg region, the rainfall distribution diminishes moving from south to north and west to east, which means that the potential for dry-land crop farming decreases in those

directions as well. Evidence found as a result of this trend proposes that with increased cost, such as cost of inputs, cost of land, etc., and environmental risks, such as erratic rainfall, soil degradation and bush encroachment, the options available for economically viable crop production are decreasing (DEAT, page 44). Although there is some cultivation under irrigation present in the region, it is negligible compared to dry-land cultivation. The reason for this is the limited availability and accessibility of water coupled with the associated cost involved with the installation and maintenance of the necessary infrastructure for the irrigation systems.

The cluster value-chain development concept, which was introduced in the agricultural development strategy of 2006, has been adopted by LEGDS because it has locational advantages for the agricultural

Map 11 – Land capability map of the Waterberg DM for agricultural purposes, 2009



Source: WDM SDF, 2009

Figure 28 – Land Capability Index for WDM as indicated in Map 11, 2009

Land capability class	Land use options							Land capability groups	
	Wildlife	Forestry	Light Grazing	Moderate grazing	Intensive grazing	Poorly adapted cultivation	Moderate well adapted cultivation		Intensive, well adapted cultivation
I									Arable land
II									
III									
IV									
V									Grazing
VI									
VII									
VIII									Wildlife

Source: WDM SDF, 2009

aspects of the economy. For the purpose of this concept, a cluster is an upstream and downstream project that will attract various role-players in the community. This approach can be utilised as the driver to raise the international competitiveness and investment rating of Limpopo and will incorporate both public and private contributions to development (LEGDS, 2004-2014).

A venture that is currently underway that is in line with the cluster value-chain approach is the booming industry of game farming. Farmers are moving away from conventional cattle farming and joining in with game farming instead. One of the reasons for this shift is the location of the Waterberg DM, which is perfect for this type of endeavour. Waterberg’s placement within Limpopo and the nation as a whole gives it several advantages for game farming such as the establishment of the Waterberg Biosphere by UNESCO, the District’s accessibility from Gauteng for domestic and international tourists as well as a natural habitat that is able to sustain game farming as an attractive tourist activity. Conventional cattle farming is heavily dependent on market fluctuations making it an unreliable source of income. Game farming on the other hand is more

reliant on capacity to draw people, therefore it presents a more sustainable financial motivation for implementation than conventional farming does. This fact, coupled with the potential income and foreign capita that can be generated through tourism, make game farming a much more attractive venture to farmers in Limpopo than conventional farming.

5.4.1.4 Thabazimbi LM Local Municipality Context

The Thabazimbi LM that is the biggest local municipality within the Waterberg DM, stretching over 986,265 hectares, has an arid to semi-arid climate with generally hot temperatures ranging from 28-34 degrees Celsius in the summer. Its average annual rainfall decreases from east to west with ranges from eight hundred millimetres in the eastern areas to four hundred millimetres in the western areas.

As a result of the climate and rainfall patterns of the Thabazimbi LM, access to water is one of the main limitations to the growth of the agricultural sector. Over the past few years, the sector has seen some major changes, one being that crop farming has improved as more land has been put under irrigation, for example, all vegetable and citrus production is currently under irrigation (Table 12). The main source of

water for this irrigation is the lower Crocodile River, which is fed by the Pienaars, Apies, Moretele, Hennops, Jukskei, Magalies and Elands rivers as well as receiving large volumes of water from the Vaal River System via the Rand Water supply system and the Lesotho Highland Water Scheme. Though this is the best source of water for the farmers of the Thabazimbi LM, there are a few challenges that need to be faced.

The first challenge is the quality of the water in the river as the water that flows in the Crocodile River has already passed through the highly developed industrial, urban and semi-urban sprawls of northern Johannesburg, Midrand and Tshwane. Passing through these regions contaminates the water with pollutants and other water quality problems inherent to these regions, thus causing Thabazimbi LM's water quality to be extremely low.

Another challenge presented by the idea of having the Crocodile River as the main water source of the Thabazimbi LM is the presence of farmers that work steads on the

banks of the river. The banks of the river are fertile, with soil that ranges from sandy loamy to clay loamy. The farmers who work these steads are very productive and have managed to drastically increase their crop output, but their method for doing so involves using more water than their allotted rights. This method of farming is unsustainable as the water from the river needs to be directed to developments taking place at Madupi and other areas within Lephalale. A weir is to be built at Mooirivier that will redirect the water through a pipeline to Lephalale. Once this pipeline is in place, the farmers along the banks of the river will no longer be able to use more than their allotted share of water. This will result in drastically decreased crop output levels and very few of the farmers will be able to remain in operation.

As Thabazimbi LM has a relatively dry climate, a possible solution to this water scarcity problem would seem to be dry land farming (Table 12). However, very little dry land farming actually takes place within Thabazimbi LM due to the fact that the planting of dry land crops, such as

Table 12 - Crops in Thabazimbi LM, 2012

Irrigation	Dry Land
Beetroot	Cotton
Cabbage	Groundnuts
Carrots	Maize
Onions	Sorghum
Oranges	Soya beans
Other deciduous fruits	Sunflower
Other fodder crops	Wheat
Other vegetables	Other winter crops
Potatoes	Other legumes
Pumpkins	
Permanent pastures	
Tomatoes	

Source: Thabazimbi Agricultural Strategy, 2012

sunflower, is still weather dependent and can only take place if a rain has fallen and has moistened the soil at least two meters deep. The crops that do get planted tend to be placed mostly between Thabazimbi LM and Northam and Thabazimbi LM and Dwaalboom on an estimated one in five year cycle. There are crops that are more weather hardened and that are more viable options for dry land farming, such as cotton and paprika, which used to be planted in the Thabazimbi LM. They are labour intensive to harvest as well, so if planted they would be good generators of employment. However, the increased cost of labour has resulted in farmers being dissuaded from becoming involved in the production of these crops.

Despite all these challenges to farmers, there are some good opportunities for them to be successful in the current market. Once such opportunity is horticulture farming.

Horticulture farming refers to shifting from conventional field crops to more, higher value crops such as by shifting to organic farming. Participating in these high value crop chains will generally improve farmers' incomes, with the added benefit of improving or developing the local economy if their participation is supported by government and the private sector. Organically produced crops are a relatively new concept in agriculture, but follows the trend of increasing consumer health awareness therefore it has great potential for both small and large-scale farmers. Small scale farmers can benefit from this quickly as they already use such fertilisers as kraal manure to fertilise their crops, which is very close to organic farming. The only drawback for small-scale farmers is that the certification process tends to be expensive.

Commercially speaking, organic farming can also be lucrative for the Thabazimbi LM with regard to its tourism sector. Many tourists from all over the world, a lot of whom are particular about their diets, visit the municipality every year. This

particularity concerning diet creates huge potential for organic crops with regard to market access. Linking agriculture and tourism in this way will result in growth for the agricultural sector, as well as providing much needed foreign currency and employment in the economy.

Another opportunity available for farmers that also follows along with the current trend of more health conscious consumers is the production of oil seeds, essential oils and soya beans in the industrial crops subsector of the agriculture sector. This production revolves mostly around the production of crops with seeds that are rich in oils and that have many uses some of which include vegetable oil and fat for cooking, feed manufacturing, soap making, production of specialised lubricating oils, candle production and cosmetics. The residue from the oil press may also be used in the production of highly nutritious animal feeds. Primary crops that will yield these oils include coconuts, corn, cotton seed, oil palm, olives, peanuts (ground nut oils), sunflowers, soya beans and rape seed. Almonds, poppy seeds, pumpkin seeds and walnuts can also be grown and marketed for use as seasoning or in salad dressing.

Livestock Production

An important subsector of the agriculture sector, due to the fact that it incorporates the most crucial elements of food and nutrition, namely protein, is livestock production (Table 13). This subsector contributes to income generation of farmers, employment generation for locals, foreign currency generation for the country, draught power and transportation and is a source of organic fertiliser for crop production. Livestock production includes cattle, goats, sheep, ostrich, pig and poultry production.

In terms of land use, livestock production is dominated by extensive ranching, roughly 50% of land use, and game farming, about 40% of land use. Despite these figures,

Table 13 - Livestock Production in Thabazimbi LM, 2012

	Farmers	Cattle	Sheep	Goats	Horses	Donkeys	Pigs	Dogs	Fowls
Commercial Production	550	53478	4324	6233	354	276	865	1789	5467
Communal Production	53	14483	188	465	10	345	164	254	3000
Total	603	67961	4512	6698	364	621	1029	2043	8467
Commercial Sector Percentage of Total	91.21	78.69	95.83	93.06	97.25	44.44	84.06	87.57	64.57
Communal Sector Percentage of Total	21.31	21.31	4.17	6.94	2.75	55.56	15.94	12.43	5.43

Source: Thabazimbi Agricultural Strategy, 2012

there is a continual shift by commercial farmers, ranchers, from cattle livestock farming to game farming. Dry land cattle farming is becoming increasingly financially unviable as between ten and fourteen hectares are required per head of cattle and, at current market rates of between eight and ten thousand rand per hectare, the capital input required can range between R80,000 and R140,000 per head of cattle. This means that, even at a seventy-five percent calf rate per cow and a selling price of R3,500 for the calf, the return on investment for the farmer is only about R2,650 per season, which is a maximum return of roughly 3.3%. In game farming, the prices of game are generally far higher than that of cattle. Farmers are also able to keep far more game on the same land as that of cattle. These two realities have served to make game farming significantly more attractive to farmers than cattle farming. There are also instances of mixed game and livestock farming that significantly contribute to eco-tourism through commercial hunting, selling of live game and supplying red-meat markets. Tourism alone brought in roughly R850 million in 2009 (Stats SA, 2009).

Game Farming

The Thabazimbi LM in general is well suited for the establishment of game farming as the majority of the region has arid to semi-arid conditions which are perfect for game farming. There are many reasons why game farming works well in the Thabazimbi LM.

The first is that it opens up the potential for hunting trips. This creates an option for farmers to generate secondary income through hunting and accommodation. For example, hunters that purchase hunting packages can be hosted on lodges on the farm. The majority of game farmers manage the complete value chain of the hunting industry, from transportation to lodging to all services that may be needed by hunters, such as working the meat, taxidermy and tanning the skin. These hunters, along with any other tourists who visit the lodges for vacations, will also bring much needed foreign currency into the economy.

An impediment to the success of hunting trips/lodges for the farmer is inadequate road maintenance. Gravel roads leading to lodges are not maintained and are therefore only accessible by visitors who own a 4x4.

Poor road conditions also affect the amount of pleasure the tourists have during their stay, thus impacting whether or not they will return or recommend the farm to others.

The second reason why game farming will be successful in the Thabazimbi LM is that game farming will increase the amount of venison that can be sold. Venison is a low cholesterol, low fat protein alternative to red meat for which the local and international markets have not been properly tapped. Most experts agree that game meat is healthier than red meat in general. As consumers are more health conscious, they will embrace a healthy alternative to red meat when it is offered on the market, thus by supplying game to the market, this subsector will generate foreign currency and stimulate other economic activities within Thabazimbi LM.

The last reason game farming works well is that it will result in the creation of employment by creating a need for game wardens, tour guides and hotel and catering staff. All of this will help lower the unemployment levels in the municipality.

Challenges

Even though Thabazimbi LM has many opportunities for growth and success, the municipality still faces a lot of challenges. These challenges include:

- High incidences of crime: This discourages people from investing in or visiting the area.
- Marketing inefficiencies: These translate into lost revenue for the municipality as products are not moved as they should be to get the maximum benefit.
- Trade barriers and animal disease: Trade barriers, such as export tariffs, prevent the municipality from generating as much revenue as it otherwise could from its products. For example, farmers in the Thabazimbi LM are closer to Gaborone than they are to Pretoria so exporting to Botswana would be a viable option for them if they were

not hampered by export tariffs. Animal disease significantly hinders the municipality's growth in terms of game farming and livestock production.

- High input costs: This discourages production of certain products as they become too expensive to produce.
- A lack of water for agricultural purposes in the long-term: This will result in the inability to produce in the agricultural sector, leading to unemployment and decreasing crop yields.
- Water pollution from areas upriver, such as Gauteng: Water pollution could result in damage to the crops that use that water, leading to decreased crop yield and eventually, unemployment.
- Agricultural pollution from mining activities: This pollution could destroy the soil, thus preventing farming completely.
- Poor road infrastructure: This makes it difficult for producers in the municipality to get their products to the market and to get the resources they need for production in the first place. It also dissuades tourists from visiting the municipality as it is not convenient or comfortable for them to get around.
- Low value addition: The municipality is exporting raw products to other regions. Those regions then finish the products and thus generate more revenue from them than the municipality does from exporting the raw products.
- Missing agricultural markets (both inputs and outputs): This means that producers do not have all the resources available that are necessary for them to be the most productive.
- High interest rates that make capital expensive: High interest rates mean that people will be less likely to buy capital so production will decrease.
- High national import rate of agricultural products: Almost all major agricultural products such as agricultural food, beverage and leather products that are imported for the country could be produced inside the country. So there is a gap in the market for the agricultural products produced in the Thabazimbi

LM, provided imports decrease (Table 14 to Table 16).

- Governance arrangements in rural areas: The responsibilities of traditional authorities and local authorities may not be clearly demarcated or may not be exercised in a democratic and equitable manner with respect to allocation of land and land use rights.

Additional challenges to the Thabazimbi LM's economy relate to climate change and the effects it might have on the municipality. The Thabazimbi LM relies heavily on mining, agriculture and tourism, all of which are either directly or indirectly vulnerable to climate change. Projections indicate that Thabazimbi LM's average temperature will increase by at least 2°C, with some models suggesting as high as 5-8°C. The potential impacts of this change include:

- The crop planting season will be longer because there will be less chance of dew, however, the region will become more susceptible to insect plagues as the dipping below freezing point that usually kills these insects will happen less frequently if at all.
- Rain will occur more frequently, but the heat will cause the water to evaporate faster so the land will end up becoming dryer. The demand for water will increase, as will water quality problems and heat-related deaths. Reduced quality of life and food insecurity will also occur.
- Rainfall will be more intense resulting in more frequent flash floods. Damage to infrastructure such as roads, bridges and homes will increase and during floods there will be economic losses, water quality problems, death and injuries and increased likelihood of infections and water-borne diseases.
- The increased humidity in the municipality will result in the increasing likelihood of malaria outbreaks.
- The increased temperatures will have heat stress impacts on human health, which will be exacerbated by urban heat islands, loss of productivity, declining air

quality in cities and increased demand for cooling.

Impacts that will be more specific to human settlements in rural areas include:

- Diminished biodiversity and further degradation of ecosystems will be a source of rural vulnerability for poor rural communities that rely on informal resource use for survival as well as for jobs provided by bio-tourism.
- Rural communities will become physically isolated as a result of poor rural roads that are vulnerable to flooding and erosion.
- Insecurity of tenure associated with the Communal Land Act will occur, which means there may be poor enforcement of farm workers' tenancy rights.

Table 14 - Agricultural Imports (South Africa), 2013

Product	R millions	%
Wheat and meslin	4,024.0	28.29
Natural rubber, balata, chicle etc., prim form etc.	1,256.0	8.83
Tobacco, unmanufactured; tobacco refuse	891.0	6.26
Cotton, not carded or combed	684.0	4.81
Leguminous vegetables, dried shelled	647.0	4.55
Seeds, fruit and spores, for sowing	568.0	3.99
Tea, whether or not flavored	532.0	3.74
Coffee; coffee husks etc.; substitutes with coffee	438.0	3.08
Pepper, genus piper; genus capsicum or pimenta	328.0	2.31
Veg saps & extracts; pectates etc.; agar-agar etc.	268.0	1.88
Nuts NESOI , fresh or dried	235.0	1.65
Other unidentified / adjustment	4,352.0	30.60
Total	14,223.0	100.00

Source: Standard Regional Quantec Research, 2013

Table 15 - Leather Product Imports (South Africa), 2013

Product	R millions	%
Travel goods, handbags, wallets, jewelry cases etc.	2,290.0	64.77
Leather of animals NESOI , no hair NESOI	421.0	11.91
Bovine or equine leather, no hair NESOI	288.0	8.15
Saddlery, harness, traces, leads etc., any material	46.0	1.30
Composition leather, in slabs, sheets or strips	44.0	1.24
Travel sets for personal toilet, etc.	38.0	1.07
Articles of leather, NESOI	29.0	0.82
Composition leather, in slabs, sheets or strips	26.0	0.74
Composition leather, in slabs, sheets or strips	22.0	0.62
Watch straps, watch bands and watch bracelets	16.0	0.45
Composition leather, in slabs, sheets or strips	1.0	0.03
Other unidentified / adjustment	314.7	8.90
Total	3,535.7	100.00

Source: Standard Regional Quantec Research, 2013

Table 17 - Beverage Imports (South Africa), 2013

Product	R millions	%
Ethyl alcohol, undenatured, und80% alcohol; spirit beverage	3,762.0	58.78
Malt, whether or not roasted	759.0	11.86
Waters, sweetened etc. & other nonalcoholic beverages NESOI	683.0	10.67
Wine of fresh grapes; grape must NESOI	249.0	3.89
Beer made from malt	221.0	3.45
Ethyl alcohol, undenatured, nun80% alcohol; alcohol, denatured	112.0	1.75
Waters, natural etc., not sweetened etc.; ice & snow	27.0	0.42
Fermented beverages NESOI (cider, sherry, mead etc.)	11.0	0.17
Vermouth & other wine of fresh grapes spec flavored	9.0	0.14
Other unidentified / adjustment	566.9	8.86
Total	6,399.9	100.00

Source: Standard Regional Quantec Research, 2013

Table 16 - Food Imports (South Africa), 2013

Product	R millions	%
Rice	6,261.0	11.95
Meat & offal of poultry, fresh, chill or frozen	3,899.0	7.44
Ethyl alcohol, undenatured, und80% alcohol; spirit beverage	3,762.0	7.18
Soybean oilcake & other solid residue, wh/not ground	3,172.0	6.05
Palm oil & its fractions, not chemically modified	3,000.0	5.73
Soybean oil & its fractions, not chemic modified	2,076.0	3.96
Cane or beet sugar & chemically pure sucrose, solid form	1,937.0	3.70
Food preparations NESOI	1,865.0	3.56
Prep or pres fish; caviar & caviar substitutes	1,831.0	3.50
Sunflower-seed, safflow or cottonseed oil etc., no ch mod	1,515.0	2.89
Preparations used in animal feeding	1,063.0	2.03
Other unidentified / adjustment	22,007.5	42.01
Total	52,388.5	100.00

Source: Standard Regional Quantec Research, 2013

5.4.2 Current Situation

5.4.2.1 Production Output Levels

Up until about 2005, the Thabazimbi LM's production output was on par with the rest of the LMs in the Waterberg District.

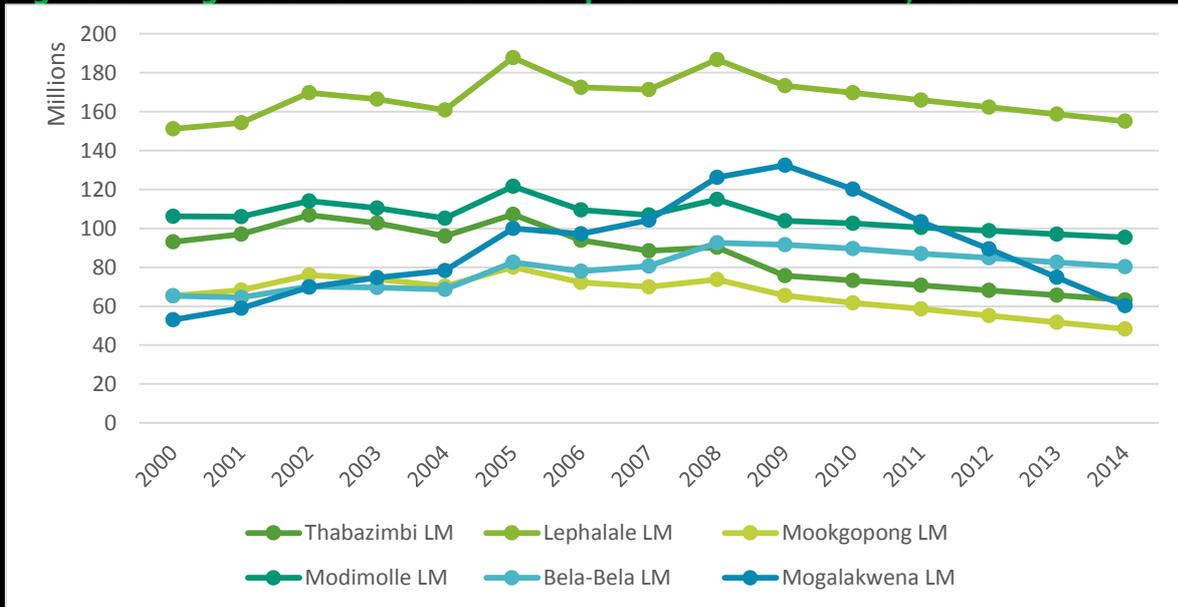
Production output since 2005 has seen a steady decline which, as of 2014, is beginning to stabilise again, as shown in Figure 29.

The problems arising due to the water shortage may, however, cause the production to drop further.

5.4.2.2 Employment Trends

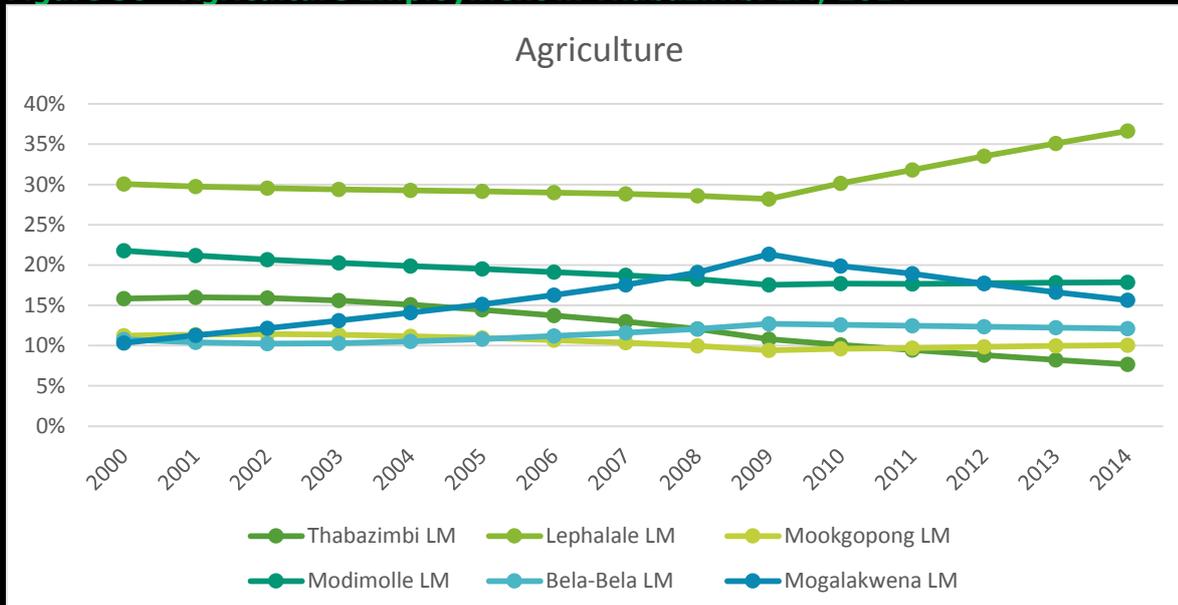
Employment within the agricultural sector of the Thabazimbi LM has seen a significant decline during 2000 to 2014 (Figure 30).

Figure 29 - Agriculture Production Output in Thabazimbi LM, 2014



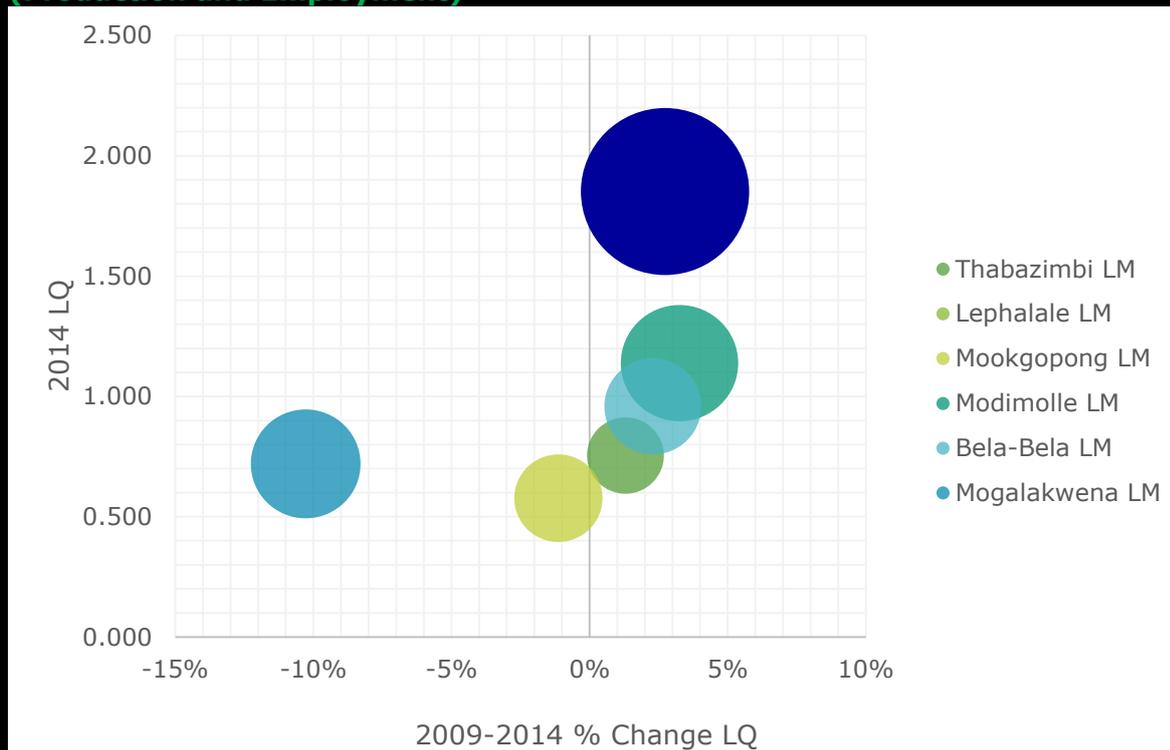
Source: Standard Regional Quantec Research, 2014

Figure 30 - Agriculture Employment in Thabazimbi LM, 2014



Source: Standard Regional Quantec Research, 2014

**Figure 31: Location Quotient of the Agriculture Sector per LM, 2013
(Production and Employment)**



Source: Standard Regional Quantec Research, 2014 *ROC – Rate of change p.a. between 2007 and 2013

This trend will continue until steps are taken to build the sector and increase its employment value.

5.4.2.3 Location Quotient

The LQ assessment identifies sectors that warrant attention for targeting efforts by evaluating levels and changes of the LQ value.

The LQ indicates that agriculture does not play a significant role within the Thabazimbi LM economy. This sector therefore warrants further attention as it has potential for growth (Figure 31).

5.4.3 Development Potential

5.4.3.1 Potential Analysis

- The Thabazimbi LM has rich natural resources.
- The climate of the Thabazimbi LM is perfect for the cattle and game industry.
- Develop agro-processing industries as there is massive growth potential within them.
- There are well established niche markets in game farming and hunting in the Thabazimbi LM.

- Increased global demand for:
 - Red meat, especially healthier protein alternatives such as the game and poultry produced in Thabazimbi LM
 - Organic products
 - Eco-tourism and hunting
- Make production and packaging of game meat a priority, as there is a growing international demand for healthier alternatives to beef.
- Place more focus on horticulture/organic farming in order to take advantage of the increasing international demand for organic products.
- Build and maintain road infrastructure to ensure access to game farms and lodges
- Develop agro-processing industries as there is massive growth potential within them.
- Encourage communal farmers to participate in commercial agriculture.
- There is potential within the Thabazimbi LM to increase cattle, swine and poultry production.
- Develop an agricultural excellence centre to provide agricultural

-
- information and research to local communities and emerging farmers.
- Make agricultural extension offices more available for emerging farmers so they can get the knowledge and technologies that these offices can provide.
 - Find ways to provide emerging farmers with better access to markets for their products.
 - Enhance farmers' access to credit in order to expand their farming operations.
 - Make the existing rail lines of the Thabazimbi LM a more integral and accessible mode of transportation for farmer products.

5.4.4 Development Constraints

Below are some of the challenges and constraints faced by farmers in the municipality:

- High input costs, such as cost of land, represent significant obstacles to many emerging farmers.
- High interest rates, which make capital expensive, make it very difficult for farmers to stay in business.
- Labour laws have increased the cost of wages. Many farmers have opted out of planting dry land crops, such as cotton and paprika, since the cost of harvesting these crops would lead to low or negative return on investment.
- Water is a scarce resource in the Thabazimbi LM. Many farmers have more land under irrigation than their water rights allow them. Once the planned water pipe to Lephalale has been completed, these farmers will have to go back to their water rights usage, which will result in much smaller yields.
- Environmental pollution from mining activities has an impact on the quality and therefore the use of crops.
- Badly maintained road infrastructure hinders both farmers' ability to transport their goods to markets and tourists' ability to visit game farms and lodges.
- Very little value addition takes place for agricultural products within the Thabazimbi LM, resulting in a very short value chain and many leakages.

- Gaps in the agriculture value chain, such as the absence of locally produced fertiliser, mean increased expenses for farmers.
- Land is being fought over by both the mining and agricultural sectors, so land needs to be allocated specifically for either mining or agricultural use.

Livestock Challenges

There are a number of challenges and constraints in enhancing agricultural growth in the livestock subsector which include:

- High input costs, such as the price of diesel, veterinary bills and land costs, make it difficult for emerging farmers to keep their farms running.
- Low livestock productivity, in particular calving rates (cattle production) is as low as 30% in the smallholder sector, which means that these small farmers are not able to generate enough production to be competitive in the market.
- Unpredictable weather conditions, droughts in particular, decrease the cattle carrying capacity of farms due to poor pasture scores.
- Trans-boundary animal and zoonotic diseases and pests destroy herds quickly and are devastating to emerging farmers.
- Inadequate technical capacity on disease control and prevention results in outbreaks that destroy herds and spread from farm to farm rapidly.
- Weak information and communication technology ICT in the livestock industry means that emerging farmers do not have access to all the information and assistance they need to be successful.
- Farmers who live far from the markets suffer from very high transport costs, which translates into limited access to markets for livestock produce and by-products.
- Indiscriminate animal breeding, which happens regularly in the communal areas, makes cattle unviable for profitable commercial use.

- Communal farmers are not geared towards the commercial aspects of farming.

Horticulture Constraints

The following are some of the constraints faced by horticulture ventures in the Thabazimbi LM:

- Air and water pollution from mining activities in some areas ruins the soil for planting.
- Expensive agricultural inputs, such as capital inputs and certification requirements, deter many emerging farmers from venturing into horticulture in Thabazimbi LM.
- Limited access to credit by producers means that emerging farmers cannot afford the inputs and the upkeep costs of their farms.
- Limited market access by farmers' results in small-scale farmers not being able to sell their crops and also not making a profit on the products they are able to sell.

Industrial Crops

The industrial crops subsector (oil seed, essential oils and soya bean production) deal with the following constraints:

- Water shortages, results of the Thabazimbi LM's scarce water resources, drastically hinder emerging farmers' ability to grow industrial crops.
- As there are only limited processing units available, much of the crops that are grown are not processed and are therefore not sold at their full potential.
- High input costs, such as land costs, make it difficult for small-scale farmers to buy into growing industrial crops.
- Poor road infrastructure and lack of road maintenance makes it hard for small-scale farmers to get the products they need to grow their crops and also makes it difficult for them to transport their crops to the market to sell.
- The lack of post-harvest handling facilities, for example silos, leads to emerging farmers' harvest going to

waste if it is not sold right away as they have no place to store it.

- Low productivity in the small-scale sector has resulted from low levels of technology adoption and low and inefficient fertiliser usage.
- Poor access to agricultural information creates a knowledge gap between emerging farmers and the market.
- Poor access to credit lines, in spite of a well-developed financial sector, means that emerging farmers find it very difficult to finance their farming ventures.

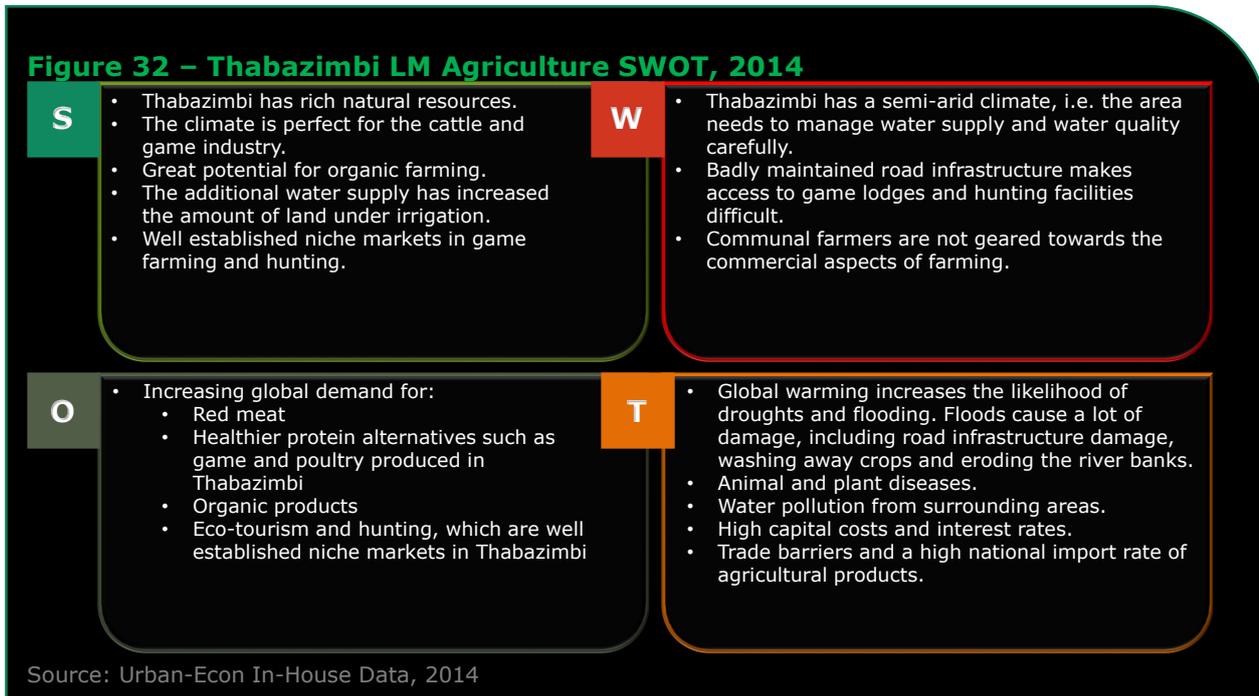
Game farming and eco-tourism

The game farming and eco-tourism subsector is confronted by the following constraints:

- Animal diseases, if not properly prepared for and dealt with, can destroy a small-scale farmer's entire enterprise in a very short period of time.
- Poor game extension services, which, if improved, would provide small-scale farmers with the knowledge and technologies they need to be successful.
- Emerging farmers have limited market access for tourism products so they are not able to take advantage of that potential market segment.

5.4.5 SWOT

Figure 32 provides a SWOT analysis that summarises the Thabazimbi LM's Agriculture Sector.



5.5 Tourism

5.5.1 Overview

Tourism is not defined as an economic sector on its own, *per se*; it is rather part of other sectors, particularly the trade, transport and finance sectors. Given its increasing importance as both an income and employment generator in South Africa, it is salient that this sector is discussed independently from the economic other sectors.

Tourism has been identified as one of the five priority economic sectors chosen by government as a focus point for efforts to support investment and facilitate growth.

Promotion of the local tourism industry offers an important opportunity for small town and rural development. Tourists spend a significant amount of money on accommodation, food, clothing, souvenirs and many other goods and services. As such, tourists support the development of new businesses, enable the creation of several job opportunities and afford an added incentive for community regeneration and upliftment.

Worldwide and nationally, tourism is a particularly important employment creator. In South Africa, one in every 12 jobs is in the tourism industry and employment opportunities in the industry is proliferating. Furthermore, tourism's contribution to GDP has also steadily increased over the last few years and currently amounts to 5% of GDP. Although this contribution to GDP may not be as high in comparison to other economic sectors, the year-on year increase in this sector does point to new growth opportunities. Tourism is an economic area the government wishes to develop, as it is labour-intensive and offers employment opportunities for many unemployed people.

5.5.1.1 National Context

South Africa has a growing tourism industry with the number of foreign visitors to the country growing from 6,429,583 in 2002 to 9,188,368 in 2012, as stated by the annual report of SA Tourism (Table 18). Total foreign direct spend generated from international tourists also increased from R71 billion in 2011 to R76.4 billion in 2012, which is an increase of 7.39% even though average spend per tourist decreased

Table 18 - Number of tourists from eight leading overseas countries in 2012 and their percentage change from 2011

Country	2011	2012	% Change
UK	420 483	438 023	4,2
USA	287 614	326 644	13,6
Germany	235 774	266 333	13,0
China	84 862	132 327	55,9
France	105 420	122 244	16,0
Australia	103 506	120 315	16,2
The Netherlands	113 846	117 936	3,6
India	90 367	106 774	18,2

Source: Stats_SA, 2012

slightly by 2.3% from R8,900 in 2011 to R8,700 per trip in 2012. Regional African tourist spend generated R47.6 billion of this total. European tourists generated R15.8 billion, Asian and Australian travellers R6.7 billion and tourist from the Americas generated R6.3 billion.

Domestic tourism, however, seems to be decreasing as South Africa's domestic tourism market performance saw a reduction in the number of trips taken from 26.4 million trips in 2011 to 25.4 million trips in 2012. Despite this statistic, the length of stay of domestic travellers has increased from 4.4 bed nights per trip in 2011 to 4.8 bed nights per trip in 2012.

Domestic tourism spend has also increased by 1.5% from R20.3 billion in 2011 to R21.8 billion in 2012.

Direct employment in the tourism sector increased by thirty-one thousand direct jobs in the sector from 2010 onwards, making the total 598,432 jobs in 2011. This increase improved the percentage of direct employment in the tourism sector, as a percentage of overall employment in the country, by 0.2%, from 4.3% to 4.5%.

The reputable and graded accommodation network throughout South Africa, illustrated in Table 19, allows South Africa to cater for a large influx of tourists of a wide variety of tourist types, from luxury travel and 'on a

Table 19 - Number of Graded Establishments as at end March 2013

Non-Hotel accommodation	EC	FS	GP	KZN	LP	MP	NW	NC	WC	Total
Backpacker and hostelling	15	3	8	9	1	4	2	1	39	82
Bed and breakfast	209	21	174	257	25	35	33	35	358	1147
Caravan and Camping	18	5	1	9	7	6	10	4	27	87
Country House	30	3	21	16	8	8	4	2	72	164
Guest House	231	57	425	150	54	112	105	77	618	1829
Lodge	53	10	42	57	79	47	13	40	29	370
Self-catering	115	26	86	187	77	65	35	26	896	1513
Non-Hotel accommodation Total	671	125	757	685	251	277	202	185	2036	5192
Hotel Total	56	23	172	107	31	34	24	21	183	651
Accommodation Grand Total	727	148	929	792	282	311	226	206	2222	5843
MESE total (business tourism)	5	20	76	6	14	17	12	12	17	179
Grand total graded properties	732	168	1005	798	296	328	238	218	2239	6022

Source: Tourism Grading Council of South Africa (TGCSA)

shoestring travel' in the leisure category to MESE travel (meetings, exhibitions and special events in business travel).

The tourists that visit South Africa are drawn by the world's richest floral kingdom, as well as a vast variety of endemic and migratory birds. One-sixth of the world's marine species can be found in the country and South Africa also has more species of wild animals than North and South America or Europe and Asia combined. The rich cultural heritage and diversity, magnificent weather and breath-taking scenery of the country are all also major reasons why South Africa is such a popular tourist destination.

Holiday-makers are not the only tourists that South Africa has the ability to cater for as business tourists are also more frequently making South Africa their tourist destination. Business tourism is a trip that is undertaken with the purpose of attending a conference, meeting, exhibition or event, or as part of an incentive trip.

South Africa offers world-class business facilities as well as infrastructure alongside accessible wildlife, luxury and style, inspiring history and a diversity of cultures. The business sector is refined and inclusive with top-class, affordable, facilities and services including state-of-the-art convention centres located in major cities and a wide variety of pre- and post-conference leisure experience, along with all the essential support and communications services.

Business tourism, according to the Department of Trade and Industry, is a niche tourism segment with definite growth potential. In recent years, the focus of South African Tourism (SAT) has been on building the leisure market and business tourism, formerly known as MICE (Meetings, Incentives, Conferences and Exhibitions) falling by the wayside. Despite this, South Africa is gaining recognition as a global player in the international meetings

market and was ranked 34th on the International Congress and Convention Association's 2008 destination rankings, a ranking which includes the successful hosting of some of the world's largest and most important meetings.

While business tourism representatives usually stay for shorter periods of time compared to leisure travellers, they contribute both a higher spend per day and a wider distribution across the country's provinces. The first nine months of 2008 saw business travellers spend R2.4 billion in South Africa, which was thirty-two percent more than in the same period of 2007. The actual number of business travellers declined during this period, but they spent more as the average amount spent per business traveller rose from R760 per day in 2007 to R1, 200 per day in 2008. The leisure tourism industry also benefits from lucrative spinoffs from business tourism, such as the tours business travellers often book, either before or after their conference, to explore the region they are visiting. Many business travellers also return to South Africa in following years to enjoy holidays with their friends and family.

Another rapidly growing source of income for the country is medical tourism, which is the process of seeking out medical treatment in another country that involves both elective procedures, such as cosmetic surgery, and specialised operations, for example joint replacement, spinal fusion, organ transplants, cardiac, orthopaedic and obesity surgery and dentistry. Roughly 410,000 (4.3%) of the 9.6 million foreign visitors to South Africa in 2008 were medical tourists. At the inaugural South African Health Tourism Congress held in Johannesburg in July 2009, the then Deputy Minister of Tourism, Ms Thokozile Xasa, announced that the aim of the government was to make the medical tourism industry a more integral part of the South African tourism sector.

5.5.1.2 Limpopo Province and Waterberg District Municipality Context

The N1 is the main link between Gauteng and Limpopo and it provides easy access to both the Limpopo Province and the Waterberg District. It also links some of the key towns in Waterberg such as Bela-Bela, Mokopane, Moogopong and Modimolle. An alternative to the N1 is the R101, which runs parallel to the N1. An additional route in Waterberg is the N11, which is a link between Botswana and Mpumalanga and it runs through Mokopane.

The Waterberg DM prides itself on its scenic environment and natural beauty, as well as its rich and diverse cultural history. Some of the main tourism attractions in the District include:

- The Nylsvley Nature Reserve: An internationally acclaimed wetlands that received Ramsar status, highlighting its importance as an ecological and tourism attraction. It boasts over four hundred species of waterfowl and bushveld birds.
- The Waterberg Biosphere: Declared a biosphere area by UNESCO in 2001, the only savannah biosphere in the world.
- The Mokopane vicinity: Home to the Arend Dieperink Museum, the Makapansgat Caves, Makapan Valley, an extension of the Cradle of Humankind World Heritage Site as well as the caves and lime works near Mokopane.
- The Waterberg Range: Rich in indigenous trees, streams, springs, wetlands and birdlife as well as home to the cliffs known as the "Palace of the Vulture" which harbours a large breeding colony of Cape vultures.
- The Thabazimbi Local Municipality: Home to a large concentration of private game reserves, Marakele National Park which has rare Yellowwood (*Podocarpus latifolius*) and Cedar trees, along with the world's largest colony of Cape vultures. It is also a leader in the conservation of the black rhino outside

of the Kruger National Park and the KwaZulu-Natal parks.

- Bela-Bela: Known for its hot springs, as well as a number of game reserves and leisure resorts.
- The National Zoological Gardens (NZG) of South Africa in Pretoria and Mokopane: The largest zoo in the country and the only one with national status. It plays a major role in the conservation of wildlife, maintains one of the largest animal collections in Africa and has over 8,000 individual animals representing over 500 species.

The Limpopo Tourism Agency actively promotes several routes within Limpopo and Waterberg. The Limpopo routes, which are all self-drive and unguided, offer an opportunity for focused travel in the province. They allow travellers to assemble their own itinerary for travel and adventure in the province. The routes described below encompass interesting tourist 'hot spots' in Limpopo:

- Great Mapungubwe Heritage Route: Links numerous cultural, and natural, heritage sites via a circular route centred around key sites such as the Mapungubwe World Heritage Site, the Thulamela Archaeological Site and the cluster of heritage sites around the sacred Lake Fundudzi and royal Dzata Museum.
- The Limpopo Valley Route: Affords tourists the opportunity to experience the myths and legends of Limpopo. It is strategically located along the Great North (N1) road towards Zimbabwe and is concentrated in the area along the Limpopo River in the Vhembe region.
- Soutpansberg-Limpopo Birding Route: A perfect route for those avid members of the bird-watching fraternity.
- The Waterberg Biosphere Experience: Of special interest to archaeology and history buffs as well as being rich in wildlife, including the big five, found in both privately and publicly owned nature reserves.
- African Ivory Route: Part of more than 3.6 million hectares of national parks,

nature reserves and game farms stretching across the Limpopo province. It extends for 2000 kilometres in a giant arc along the eastern, northern and western boundaries of Limpopo.

- Ribolla Open Africa Route: Some of Limpopo's most acclaimed crafters, such as Noria Mabas, Jackson Klungwane, Phineas Masuvhelele and Sarah Munyai, form part of this route.
- The Valley of the Olifant Route: Explores the beautiful scenery and wildlife of the Lowveld region of Limpopo and is accessed from the eastern side of the province.
- Heritage Route: Follows the R561 from Baltimore (N11) to Markena and via the R518 to Shongoane and Lephalale. The road between Ga-Shongoane and Ga-Seleka also forms part of this route.

The foregoing paragraphs highlight the diversity of tourism routes in the region. However, in addition, the following salient aspects regarding tourism in the district must be cited:

- The expansion of tourism in the district is supported by the development of private game reserves in the Waterberg. Such developments offer further opportunities for the expansion of tourism activities in the region, as new trends in agriculture are increasing the expansion of the game industry.
- In addition to the various tourism routes, there are numerous attractions within the Waterberg District to entice tourists to visit the region. These include warm water springs, the Waterberg Biosphere area, the Rust de Winter dam, game reserves, mining tourism and agri-tourism.
- Currently, sparse tourism activity occurs in the Limpopo Valley and tourism initiatives within this area should be encouraged. Support should be given to SMMEs and start-ups to advance tourism business in the area, as small enterprises is an ideal vehicle for additional revenue within the tourist sector.

- As previously mentioned, the Waterberg Biosphere Reserve is a declared UNESCO site and an important eco-tourism attraction in the Waterberg District. There are many existing reserves located within this area that can contribute to the expansion of the current tourism market.
- The unique fauna and flora species of the TLM, including Cape Vultures and rare indigenous species such as Yellowwood trees (*Podocarpus latifolius*), should be specifically marketed for their distinctiveness as tourism attractions, especially considering the growth in the eco-tourism niche market.
- The Waterberg area is seen as an ideal place for most tourism operators. It is a malaria free region and is only a two hours' drive away from the economic hub of Gauteng. This aspect and its rich ecological resources gives it added advantages to be a favourable tourism destination.
- The Tourism Development Strategy of the Waterberg District has set out a framework to guide tourism development in the district. This framework guides the potential developments of tourism projects, however it does not identify specific projects.

5.5.1.3 Thabazimbi Local Municipality Context

According to the Thabazimbi LM Tourism Strategy conducted in 2011, Thabazimbi LM is not viewed by visitors as a tourist destination. The following remarks can be made in concurrence with the Tourism Business Establishment Survey:

- 98% of tourist were South Africans
- 90% stayed with relatives
- 35% of visitors to Thabazimbi LM chose it as a stop-over
- About 1% stayed at camping sites for at least one evening
- 81% of travellers passed through Gauteng
- Less than 1% used air travel to Thabazimbi LM

- 65% of visitors are stop-over visitors
- Tourist nights spent in Thabazimbi LM
- 28% spent one night
- 60% spent two to three nights
- 11% spent three to five nights
- 1% spent more than five nights
- 50% of visitors to Thabazimbi LM are undecided about revisiting the area
- 33% would be willing to visit the area within a year
- 81% of first-time tourist to Thabazimbi LM heard about the destination through word of mouth
- 79% of visitors say road signage is inadequate

Since 2013, there has been a revival in tourism sector planning in the Thabazimbi LM. The Thabazimbi LM Tourism Association (TTA) has been resuscitated and has already started implementing some of its plans. The TTA is currently active with a drive to recruit new members. It also represented Thabazimbi LM at the annual Tourism INDABA in Durban held from 10 to 12 May, 2014. Soon, the TTA will also open the Thabazimbi LM Tourism Information Centre, from where it will promote Thabazimbi LM's status as a tourism destination and market it as a premium tourist attraction.

The Thabazimbi LM Tourism Information Centre will be expanded in the following few years. Apart from serving as a tourist information centre, it will also be the main offices for the Thabazimbi LM Tourism Association (TTA) that will manage all tourism-related enquiries and information.

In the latter development stages, the centre will host a cultural village, mini shops, a coffee shop, conferencing and meeting room facilities and a mini amphitheatre. The centre will allow local residents to create and sell their crafts at the facility.

The main challenge for the TTA is to obtain buy-in from all the various tourism role-players. In the past, each of the tourism segments operated in isolation, which in turn created an independent and

(to a degree) a self-sufficient structure for each of these segments.

An example of this self-sufficiency relates to the hunting industry. A hunting lodge will promote itself to the lucrative overseas market, after which the tourist will contact the lodge and make a booking and payment. The lodge typically arranges for transport from the airport and conveys the tourist directly to the lodge. Subsequently, the tourist spends his or her entire trip to South Africa exclusively at the lodge, before returning to the airport via transport arranged by the lodge itself. The resultant effect of this scenario is that the lodge controls the entire value-chain, since this ensures that all revenue spent by the tourist is disbursed to the lodge. Such a situation typically benefits only a few individuals (i.e. the lodge) in the municipality and contributes little revenue to the local economy. What is required is a broader buy-in and participation by various actors in the value-chain to widen the base for tourism opportunities and to ensure more participants in the local economy benefit from tourism activities.

The following tables (Table 20 to Table 26) provide an overview of tourism demand in terms of Google Search Volumes as it pertains to place, activities, culture, food, travel packages, MECE and MICE. Google Search Volumes provide information on approximately how often certain phrases were searched for within Google in set geographical locations. The information was captured over the preceding 12 months and is provided as an approximate monthly average. Although this information does not provide specific information about the Thabazimbi LM tourism per se, it does provide insights into tourist needs in general in or in close proximity to the study area.

Table 20 - Tourism Demand – Google Search Volumes – Place, 2014

Keyword	UK	USA	Australia	India	South Africa	Gauteng
Botswana	12,100	27,100	4,400	6,600	6,600	3,600
Warmbaths	140	30	20	10	8,100	6,600
Mabalingwe	170	260	50	10	6,600	5,400
Bela Bela	170	210	30	70	5,400	4,400
Polokwane	480	320	90	90	3,600	1,900
Bella Bella	320	2,900	70	40	590	480
Lephalale	110	70	20	30	2,400	1,600
Forever resorts warmbaths	20	10	10	10	1,900	1,600
Thabazimbi	70	90	20	10	1,900	1,300
Mokopane	50	70	20	20	1,900	1,300
Botswana Safari	1,000	1,300	260	110	320	70
South African holidays	480	480	90	30	1,000	590
Limpopo river	480	1,000	110	170	480	260
Waterberg game park	70	30	10	10	1,300	1,000
Ellisras	50	40	10	10	1,300	880
Modimolle	40	20	10	10	1,300	880
Waterberg	70	110	20	10	720	590
Nylstroom	30	20	10	10	880	480
Potgietersrus	30	20	10	10	880	480
Bela Bela resort	10	10	10	10	720	590
Klein Kariba resort	10	20	10	10	390	390
Mookgopong	10	10	10	10	140	90
Limpopo safari	10	10	10	-	10	10

Source: Google - 9 April 2014

Table 21 - Tourism Demand – Google Search Volumes – Activities, 2014

Keyword	UK	USA	Australia	India	South Africa	Gauteng
Archery	14,800	40,500	4,400	3,600	720	720
Hot air balloon	9,900	33,100	4,400	2,400	880	880
Hunting	3,600	40,500	1,900	1,600	1,000	1,000
Things to do	18,100	27,100	2,400	390	210	210
Bonfire	8,100	33,100	2,900	2,400	260	260
Kayaking	6,600	22,200	1,900	3,600	210	210
Paragliding	8,100	14,800	2,400	6,600	720	720
Bungee jumping	6,600	14,800	1,900	5,400	1,000	1,000
White water rafting	5,400	18,100	1,300	1,000	170	170
Canoeing	5,400	12,100	1,300	880	170	170
Hang gliding	1,900	12,100	1,300	590	140	140
Abseiling	5,400	2,400	2,400	210	590	590
Adventure holidays	8,100	320	720	210	70	40
Hot air balloon festival	880	8,100	70	50	10	10
Driving Experience	8,100	720	70	40	20	20
Hot air balloons	1,000	6,600	590	140	110	110
African dance	1,300	3,600	260	480	210	110
Canyoning	1,900	1,300	720	170	30	30
Parachuting	1,000	2,400	320	140	40	40
Knife throwing	390	2,400	170	50	30	30
Cattle drive	90	1,900	70	10	10	10
Driving experiences	1,900	110	30	10	10	10
Mountain boarding	720	880	70	20	30	30
50 things to do before you die	720	480	90	70	10	10
Cattle Ranching	390	720	30	70	10	10

Continues from previous page

Keyword	UK	USA	Australia	India	South Africa	Gauteng
Off road driving experience	880	30	10	10	10	10
Unique events	480	260	40	40	10	10
Dirt boards	20	590	10	10	20	20
Kloofing	70	110	30	10	170	170
Axe throwing	140	260	20	10	10	10
Big Swing	70	210	30	10	50	50
Sphereing	260	50	10	10	10	10
Sleep under the stars	50	140	10	10	10	10
African horseback safaris	70	20	20	10	30	10
Overlanding Africa	50	30	10	10	30	10
Hunting archery	10	70	10	10	10	10
Horse safari	30	10	10	30	10	10
Walk in the wild	10	50	10	10	10	10
Blindfold driving	40	20	10	10	-	-
Ride on elephant	10	30	10	10	10	10
Africa trails	20	10	10	10	10	10
Clay pigeon shooting corporate events	10	20	10	10	10	10
Zeppelin ride	10	20	10	10	-	-
Ride on camel	10	10	10	10	-	-
Sleep in the wild	-	-	-	-	-	-

Source: Google - 9 April 2014

Table 22 - Tourism Demand – Google Search Volumes – Additional Activities, 2014

Keyword	UK	USA	Australia	India	South Africa	Gauteng
Big Five	1,600	450,000	480	720	1,300	1,300
Safari	74,000	301,000	27,100	22,200	4,400	4,400
African safari	2,400	9,900	1,000	2,400	320	320
Safari holidays	8,100	70	50	40	50	20
The big five	1,000	2,400	320	70	880	880
The big five	1,000	1,600	260	70	480	480
Horse safari	30	10	10	30	10	10
Walk in the wild	10	50	10	10	10	10
Walking safari South Africa	10	10	10	10	10	10
Limpopo safari	10	10	10	-	10	10

Source: Google - 9 April 2014

Table 23 - Tourism Demand – Google Search Volumes – Culture, 2014

Keyword	UK	USA	Australia	India	South Africa	Gauteng
African culture	1,600	4,400	320	320	320	320
African dance	1,300	3,600	260	480	210	110
South African music	880	1,600	210	50	1,000	1,000
Ndebele Culture	40	90	10	10	1,000	1,000
African paintings	480	880	110	320	90	50
African tribal masks	590	1,000	110	40	30	10
Pedi culture	10	50	10	10	590	590
Exotic Holiday Destinations	590	10	40	30	20	10
Afrikaans culture	10	40	10	10	170	170

Source: Google - 9 April 2014

Table 25 - Tourism Demand – Google Search Volumes – Packages, 2014

Keyword	UK	USA	Australia	India	South Africa	Gauteng
All inclusive resorts	18,100	135,000	480	70	30	20
Honeymoon packages	12,100	18,100	2,400	27,100	1,600	880
Package holidays	49,500	390	1,600	140	70	30
Short breaks	33,100	170	880	40	10	10
Family holidays	18,100	390	1,300	170	90	50
Singles holidays	18,100	210	880	320	20	10
Solo holidays	8,100	170	90	10	10	10
Single parent holidays	2,900	40	40	10	10	10
Holidays for couples	1,900	50	260	10	10	10
Family adventure holidays	1,900	140	90	10	10	10
Child friendly holidays	1,900	40	50	10	10	10
Family holidays abroad	1,900	40	10	10	10	10
Family weekend breaks	1,900	40	10	10	10	10
Africa for kids	1,000	720	50	20	10	10
Group holidays	1,600	40	70	20	10	10
Student holidays	1,300	170	90	10	30	20
Holidays with babies	720	20	90	10	10	10

Source: Google - 9 April 2014

Table 24 - Tourism Demand – Google Search Volumes – Food, 2014

Keyword	UK	USA	Australia	India	South Africa	Gauteng
Biltong	9,900	18,100	3,600	170	2,400	1,300
African food	2,900	5,400	720	260	210	140
Droewors	390	320	140	10	210	70
South African Wines	260	480	110	30	170	70
South African beer	210	320	90	20	90	50

Source: Google - 9 April 2014

Table 26 - Tourism Demand – Google Search Volumes – MECE and MICE, 2014

Keyword	UK	USA	Australia	India	South Africa	Gauteng
Team building activities	9,900	49,500	3,600	3,600	1,000	1,000
Team building	5,400	9,900	1,300	2,900	1,600	1,600
Corporate events	1,900	1,300	260	880	140	140
Teambuilding	590	1,300	110	110	260	260
Team building events	880	720	70	70	70	70
Team development	480	880	170	170	70	70
Corporate team building	320	590	140	90	140	140
Corporate golf days	140	20	40	10	20	20
Corporate holidays	30	140	10	10	10	10

Source: Google - 9 April 2014

Once the brand and target markets for the Thabazimbi LM tourism industry have been defined, the industry as a whole should focus on creating offerings that cater for these markets.

Product packages and other offerings should be developed and promoted in the geographical markets as selected by the Thabazimbi LM Tourism.

5.5.2 Current Situation

The Thabazimbi LM IDP of 2012/2013 indicates that for the most part, spatial development in the LM is influenced by the municipality's main sectors, mining, agriculture and tourism. The natural environment of the municipality is ideally suited to intensive tourism development. Therefore, the municipality currently supports ventures that promote eco-tourism, the marketing and development of the Marakele National Park, as well as hunting and related activities. Tourism activities in Thabazimbi LM are well-established overall and include, inter alia, game farms, private resorts, lodges, hiking trails, eco-tourism, etc. The tourism segment is therefore an important contributor to the local economy and a

significant employer. Key attractions in the municipality include:

- Atherstone Nature Reserve
- Ben Alberts Nature Reserve
- Thabazimbi-Tholo Eco-Park
- Marakele National Park

In terms of tourism holdings, Thabazimbi LM has become one of the most attractive areas for investors in tourism property.

As mentioned, game farming in Thabazimbi LM is of specific importance. It includes a host of related activities in its value chain and hunting provides valuable revenue to the LM.

The Marakele National Park is the main tourist attraction in the municipality and is located only 12 km outside the Thabazimbi CBD. This creates the ideal opportunity for eco-tourism development in and along the park and provides the area with an established tourism development node.

Strategic and primary tourism development nodes have been identified by the Thabazimbi LM and all forms of eco-tourism should be promoted in these nodes. The Strategic Tourism Development node indicates a wider area in the Municipality

where eco-related land uses already occur. This node includes not only the Marakele National Park, but also mountain ranges, game reserves, as well as private tourist developments such as game lodges, eco-estates, etc. The Primary Tourism Development nodes refer to the areas around tourism corridors that could become eco-estates, country estates, guest lodges, game farms, etc. The Thabazimbi LM IDP states that these nodes will be able to support tourism development, if they were maintained and sufficiently developed.

The Waterberg Biosphere remains an integral part of the tourism segment, and especially eco-tourism in the municipality. Its international status awards it the prospect of tourism development in terms of conservation and logistics support. The Waterberg Biosphere Reserve stretches from Marakele National Park in the south west to Wonderkop nature reserve in the north-east. In order to facilitate exploration of the area, the Waterberg Meander has been created, with a number of routes within Waterberg. The Meander showcases prime tourist attractions within the area, as well as a series of community-linked projects by giving the tourist the opportunity to take part in a self-drive tour of historical, geological, cultural and environmental sites along the route. Consideration has been given to possibly extend the Biosphere Reserve to include the Madikwe, Atherstone, Thaba Tholo and Welgevonden Game Reserves.

Although tourism facilities in the area may be described as adequate, the current tourism infrastructure remains fragmented and uncoordinated, with various development gaps. This challenge is further addressed in the subsequent section.

5.5.3 Development Potential

Although there are challenges to be overcome within the Thabazimbi LM tourism industry, the LM is blessed with many natural and cultural resources that will

enhance the desirability of the area as a tourism attraction. It has vast untapped potential in terms of its capacity to support eco-tourism, adventure tourism, hunting excursions and cultural activities. The potential analysis aims to highlight these assets in order to provide a framework for future game changing endeavours.

5.5.3.1 Potential Analysis

- The Thabazimbi LM is blessed with a unique topography and its exceptional fauna and flora and accompanying biodiversity make it an ideal area for eco-tourism and concomitant ventures. It further has the advantage of being malaria-free.
- The Marakele National Park is the main tourist attraction in the municipality and is located only 12 km outside the Thabazimbi CBD. This creates the ideal opportunity for eco-tourism development in and along the park and provides the area with an established tourism development node.
- The agricultural sector in the area is increasingly converting its land-use towards game farming, thereby increasing the tourism potential of the area.
- The international status of the Waterberg Biosphere gives it eminence that can be utilised in marketing the area as an eco-tourism Mecca. The possible extension of the biosphere will only add to tourism attraction and capacity of the municipality.
- The newly established tourism centre will capacitate and facilitate numerous tourism initiatives in the area, thereby creating a cohesive industry.
- The Thabazimbi LM has several well-established tourism markets, such as hunting, nature reserves, game farms, etc. that can be further developed and marketed to attract visitors to the area.
- The Thabazimbi LM Game and Tourism Expo and Oppikoppi Music Festival are important revenue generators that should be developed and expanded.

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- The African Ivory Route is part of more than 3.6 million hectares of national parks, nature reserves and game farms stretching across the Limpopo Province, which also extends into the Thabazimbi LM.
 - Gauteng that is, an important tourist market, is only a two-hour drive from the Thabazimbi LM and provides an influx of both foreign and national tourists to the area.
 - Similarly, the OR Tambo International Airport is one of the main international ports of South Africa, and only a three hours' drive from the Thabazimbi LM.
 - The municipality is also within close proximity of Sun City and Pilanesberg, from where additional visitors can be enticed to the local tourism attractions.
 - The Thabazimbi LM is a reputable hunting area, with an established hunting market of both local and international hunters, which is easily accessible.
 - An opportunity exists for the establishment of facilities that will allow hunters to come to the municipality with their families instead of alone, such as the establishment of attractions that family could visit while the hunter is enjoying hunting.
 - The Thabazimbi LM has a rich mining history and mining continues to be an important sector in the area. This fact can be exploited by developing mining tours and informative visits in a safe and practical manner.
 - The number of international tourist visits to South Africa increases each year. Many of these tourists are interested in the type of product offering that the Thabazimbi LM can provide, including safaris, hunting, the Big Five, etc.
 - One of the most important factors in enhancing tourism is education. In this regard, the local high school offers tourism as a subject. This should be viewed as an ideal vehicle for engendering a tourism-focused mind-set in local youth.
 - Thabazimbi LM should look into working with local tourism business owners to develop work experience programmes for youth.
 - Currently, there are no hospitality skills training facilities, such as staff training in front desk service, food preparation, tour guides, etc., in the Thabazimbi LM.
 - The Thabazimbi LM is rich in tourism potential. A number of niche markets can be exploited to further tourism development in the municipality.
 - Game farming provides various opportunities for job creation such as game wardens, tour guides and hotel and catering staff. This will assist in lowering the unemployment levels in the municipality. Furthermore, game farming will attract tourists with foreign currency.
 - The Thabazimbi LM will benefit greatly from the development of an effective and focused marketing strategy that link tourists' needs with the region's product offering in terms of accommodation, activities, attractions, food and drink, cultural and historical sites and the natural habitat and makes the Thabazimbi LM a sought after tourist destination.
 - The establishment of a unique Thabazimbi LM brand will help to create an emotional connection between products, companies and their customers and constituents, in this case, the attractions of the Thabazimbi LM with the tourist market. The brand should market the Thabazimbi LM as an experience and not just a town.
 - The Thabazimbi LM has the technology needed to develop a tourist database that will assist the LM in understanding how best to utilise its tourism potential.
 - The Thabazimbi LM has a great number of magnificent nature reserves that it can use to draw more tourists to the municipality.
 - The rich history of the municipality allows it to tap into the niche market of heritage-based and cultural tourism. Aligning CBD upgrades to tourism priorities by focusing on the renovation and identification of historic buildings, promotion of tourism-based businesses, the relocation of informal traders and
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the development of market stalls, as well as giving consideration to the establishment of a heritage route, similar to the Greater Mapungubwe Heritage Route, that provides a broad range of activities related to the historic buildings, sites and attractions in the area that may be partnered with local tourism operations will assist Thabazimbi LM in amplifying this opportunity.

- There is an untapped opportunity to attract visitors from Gauteng and other parts of the country to the Thabazimbi LM through the hosting of annual expos, festivals and events.
- Tourism is a regional income generator and its integration with provincial and district initiatives will give it the best opportunity for maximum impact and benefit, not only for the LM, but the entire region as well.
- Incentivise the uptake of skills and the provision of financial assistance to black SMMEs and communities to empower them to become self-sufficient in hunting/game industry.
- The Thabazimbi LM tourism product offering needs to be diversified.
- Thabazimbi LM has a good accommodation industry whose existing businesses can be used to rectify the current deficiency in black owned businesses by providing for the buying of shares in the businesses or by partnering with black owners.
- The municipality should work at garnering support for the newly founded TTA.
- The TTA should look into the creation of a unique tourism-based website for the Thabazimbi LM that is separate from the municipality's main website and that will draw both international and local tourists to the municipality.
- The TTA should increase its involvement in the decisions made by the municipality, especially those concerning problems businesses are facing such as the inability to start up due to overburdening regulations.
- New regulations for tourism businesses should be developed that categorise

businesses based on their reason for business, for example whether they provide the sole income of their owners or are just a side business. These categories should then be further divided into tiers where less regulation is required for start-up small businesses than for large businesses that have been in operation for many years and have a large number of employees.

5.5.4 Development Constraints

There are various constraints to the development of the tourism sector in the LM that provide for challenging impediments to be overcome in order to advance the expansion of the industry. Some of the most salient aspects in this regard are discussed in this subsection.

- The Thabazimbi LM has a one dimensional product offering for tourism, namely game and the municipality has no clear unique selling position.
- Currently, there is no tourism transportation service available in the Thabazimbi LM and road access is underdeveloped. There is also a lack of clear and proper road signage, which makes it difficult for visitors to navigate within the municipality.
- Some mining applications for prospecting rights in the municipal area occur without the required prior specific notification to the Local Government, which results in prospecting taking place in areas designated as Primary and Strategic Tourism Development nodes, thus acting in contradiction of the Spatial Development Framework. In general, mining activities in the area conflict with tourism requirements.
- The areas to the north, northwest and southeast of the Thabazimbi LM are all primarily regarded as environmentally sensitive, due to their location within the Waterberg Biosphere, which means they require special management attention to protect important scenic values, fish and wildlife resources, historical and cultural values, and other natural systems or processes. However, this

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- should not be viewed as a constraint, but rather an opportunity to expand on eco-tourism in the municipality.
- The fragmentation of tourism planning across the three spheres of government and an inadequate database of the supply side, with associated lack of reliable market information and poor integration of tourism with other sectoral policies, coupled with the fragmentation of tourism marketing endeavours by various state organs and private sector, results in tourist facilities that are not linked directly to the neighbouring towns' tourist facilities, the District or Provincial tourism organisations.
 - The absence of a formal institutional structure within the tourism sector inhibits integrated efforts and leads to strained stakeholder relations and a lack of coordination among sectors.
 - The lack of professional and coordinated marketing of facilities internationally and locally remains one of the most important constraints to tourism development in the LM. Thabazimbi LM tourist facilities have no direct link with neighbouring towns' tourist facilities, the District or Provincial tourism organisations.
 - Tourism should not be viewed on municipal level only, but should form part of a regional (district/provincial) campaign.
 - There is no real art and craft uptake in Thabazimbi LM. Local communities' orientation rather lean toward mining and agricultural activities, such as game farming and hunting, with little or no incentives for informal SMME development.
 - The uncoordinated and fragmented planning of the LM's tourism sector is exacerbated by an unreliable communication system among the different sectors.
 - Currently, wide-ranging internet connectivity is not available in the municipality, making it more difficult for tourism role-players to utilise the effective tools of ICT. Furthermore, the internet capability that does exist in the LM is haphazard and unreliable.
 - Lack of basic IT skills, both on the part of the municipality and tourism operators, further hamper the development of viable tourism ICT. What is required is the upgrade of technology and ICT in the area to facilitate the incorporation of the Thabazimbi LM tourism industry into e-tourism to redesign tourism products to address individual needs and to satisfy consumer wants.
 - Thabazimbi LM has a lack of detailed GIS information with regard to tourism facilities and activities in the LM. A continuously updated and well-informed database of all relevant operators and stakeholders is essential to ensure coordination of efforts, without duplication and unnecessary expenditure.
 - Organised hunting is a big income generator for the local community of Thabazimbi LM, however there remains a lack of black involvement in the hunting industry. Many black communities still lack the financial support to assist them in upskilling their hunting expertise and establishing their own hunting activities.
 - There is insufficient financial and nonfinancial support for tourism entrepreneurs.
 - There is no clear indication of what criteria mines, who are willing to provide funding for projects, use when determining in which projects to invest.
 - Many businesses in the tourism sector are unregistered due to the cumbersome processes required by the local government, which means that the tourism sector is not formalised to a large extent.
 - There is too much red tape around getting funding for new tourism projects. Prospective businesses currently have to go through the government to get funding from the mines which they never received.
 - There is a lack of BBBEE and black community participation due to the size and nature of the businesses currently
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in operation, as well as the lack of support for these existing businesses, such as lodges and B&Bs with regard to this issue.

- As a result of the BBBEE situation, small businesses are not able to get the support they need, for example funding from the mines, due to the fact that the mines do not gain “points” for assisting businesses who are not complying with BBBEE regulations, regardless of the reason for this noncompliance.
- Poor road conditions in and around the Thabazimbi LM make the municipality inaccessible to potential tourists, which causes decreasing business for those lodges and B&Bs currently in operation.
- The Thabazimbi LM Game and Tourism Expo is losing popularity and is not generating as much revenue for the municipality as it has in the past due, in part, to a lack of marketing for the event outside of the municipality.
- Challenges within the tourism sector as identified by AsgiSA (Accelerated and Shared Growth Initiative South Africa) that pertain to the entire tourism industry and role-players and are relevant aspects of the Thabazimbi LM tourism status quo include:
 - The need to establish work-experience programmes for young people in the tourism industry.

- The development of specific training programmes targeting tourism small, medium and micro-enterprises.
- The requisite for more skilled and trained tourism managers (especially black managers).

5.5.5 SWOT

Figure 33 provides a SWOT analysis that summarises the Thabazimbi LM’s Tourism Sector.

Figure 33 – Thabazimbi LM Tourism SWOT, 2014

S

- Rich natural resources in Waterberg, such as the Biosphere with unique flora and fauna.
- In close proximity to Gauteng/OR Tambo.
- Closest national park to Gauteng and OR Tambo – Marakele National Park.
- Well-established hunting industry and game farming.
- Good Accommodation Industry.
- School offers tourism as a subject.
- Tourism Centre almost up and running.
- Established events: Oppikoppi, Expo, etc.

W

- One dimensional product offering – Game.
- Limited cooperation between role players, causing differing goals, fragmented planning and lack of coordinated marketing strategy and branding.
- No hospitality and tourism skills training facility, causing a lack of skills in the industry, from basic skills such as how to make a bed to managerial level.
- Unregistered business due to cumbersome processes, in particular rezoning process.
- Lack of BBEEE and black community participation.
- Insufficient financial and non-financial support for tourism entrepreneurs.

O

- South Africa is increasingly becoming a significant player in the world tourism market.
- Coordinated national marketing strategy creating a desire amongst tourists to visit SA.
- Garner support for the newly founded TTA.
- Development of tourism database.
- Diversify product offering, e.g. mining tours, heritage and cultural tourism.
- Unique tourism-focused website.
- Work experience programs for the youth.

T

- Lack of tourism transport system, e.g. no car rental or passenger rail services.
- Poor road conditions in and around Thabazimbi.
- Lack of signage in and around Thabazimbi.
- Insufficient tourist routes and no tourist maps.
- Thabazimbi has no clear Unique Selling Proposition.

Source: Urban-Econ, 2014

5.6 Trade and SMME

5.6.1 Overview

The trade sector includes wholesale and retail trade (sale without transformation) of any type of goods, and rendering services incidental to the sale of merchandise. Wholesaling and retailing are the final steps to the distribution of merchandise. Also included is the repair of motor vehicles and installation and repair of motor vehicles, the installation and repair of personal and household goods and hotels and restaurants.

As in all transitional economies, the SMME sector in South Africa carries the burden of generating employment and social stability. Entrepreneurship is considered to be an important mechanism for economic development through employment, innovation and welfare effects.

5.6.1.1 National Context

The trade sector of the national economy has been doing well, as total employment for this sector grew from 1.9 million in 2007 to over 3 million during 2010 (Stats SA, Labour Force Survey). Roughly seventy percent of the workers that made up this total were employed on a permanent basis and the remaining thirty percent were temporarily employed, either with temporary contracts or as casual workers. Statistics, according to the Companies and Intellectual Property Registration Office (CIPRO), showed that during 2009 there were 2,401,736 active business enterprises in South Africa.

South Africa declined in the world trade competitiveness rankings from the 44th position during 2007/8 to the 45th position during 2008/9. South Africa was, however, ranked second in the world with regard to business access to credit (after Malaysia) and 9th in terms of protecting investors. The country was ranked very low in terms of employing workers (109th). To start a business in South Africa one would require an investor to go through an average of six

procedures that would take about 22 days. The same is true for registering a business property. In terms of the ease to conduct cross-border trading, South Africa was ranked 147th in the world during 2008 with only Botswana, Kazakhstan, Kyrgyzstan, Russia and Zimbabwe recording worse rankings. This was mainly related to the comparatively high cost of exporting from (\$1,445 per container) and importing (\$ 1 721 per container) to South Africa and the time delay for containers to arrive. The number of vessels calling at South African ports decreased slightly from 13,284 in 2004 to 12,884 in 2008 while cargo handled at South African ports increased from 168,751 to 185,079 million tonnes over the same period (growth of 9.7%).

5.6.1.2 Limpopo Province Context

Limpopo has easy access to South African and African markets due to its borders with Gauteng and key Southern African Development Community (SADC) nations. These markets are linked by the N1 highway and are adjacent to mail rail lines that bisect Limpopo. Limpopo's capital of Polokwane, lies three hundred kilometres north of South Africa's main markets in the Johannesburg/Pretoria industrial complex that lies two hundred kilometres south of the province's border with Zimbabwe (Trade and Investment Limpopo, 2011).

Limpopo's location in relation to these markets is allowing it to become an emerging African hub. In response to the province's growing importance, the Polokwane International Airport is being upgraded to enable it to handle large, fully laden aircrafts and to develop it into a major cargo hub that serves sub-saharan markets as well as Europe. Limpopo is also planning to develop an Industrial Development Zone (IDZ) around the airport to create opportunities for exporters who will add value to the province's raw materials.

The province is also upgrading the Maputo port nearby Mozambique, which is much

closer to Limpopo than more distant South African ports where congestion often hampers trade. The port is linked to Limpopo by road and rail and is located only 300 and 400 kilometres away from the mining and agricultural centres of Limpopo, respectively. The traditional port of Durban is located 1,000 kilometres from these areas.

The province is also upgrading Maputo port in nearby Mozambique, which is much closer to Limpopo than more distant South African ports where congestion often hampers trade. The port is linked to Limpopo by road and rail and is located only 300 and 400 kilometres away from the mining and agricultural centres of Limpopo, respectively. The traditional port of Durban is located 1,000 kilometres from these areas. This upgrade means that Limpopo based exporters and importers will be able to use the port with confidence as exporters estimate they will save about one third of their transportation costs by using the facility.

It is difficult to quantify the size of the small business sector in Limpopo because there are currently no reliable estimates on the number of SMMEs operating in the province. The only estimate comes from LIBSA who puts the number at roughly 30,000 formal small businesses in Limpopo (K.P. Mbedzi, 2011).

The provincial government of Limpopo considers SMMEs to be the key to creating employment and alleviating poverty in the province. Therefore, the aim of the SMME strategy of the province is to enable small businesses to exploit the competitive advantages of the province. The creation of decent work for sustainable livelihoods is one of the key objectives of the LEGDS whose action plan to realize this objective involves promoting seven areas or clusters of competitiveness where Limpopo has a modicum of comparative advantage. The seven areas focused on include Horticulture, Meat Production, Forestry,

Coal, Energy and Petrochemicals, Platinum and other Mining and Beneficiation, Tourism and ICT. The idea is that SMMEs will benefit from the promotion of local supply chains for both capital and operational expenditure by businesses operating in these identified areas (K.P. Mbedzi, 2011).

5.6.1.3 Waterberg District Context

The trade sector is defined as the resale (sale without reformation) of new and used goods to the general public for personal and household consumption or use by shops, department stalls, etc. Business is the derived demand from the local buying power; this suggests that the business sector cannot develop if there is limited buying power.

The Waterberg District Municipality has a strong trade sector with the N1 running through the area to form trade linkages with Gauteng, Botswana and Zimbabwe. This paves the way for linkages that can be established along this route as the N1 runs through four of the six local municipalities' main economic centres. Furthermore the Waterberg Biosphere, game farms with related outdoor activities, the warm springs in Bela-Bela and all of these elements proximity to Gauteng provides for a strong domestic and international tourism attraction that strengthens the trade sector in the District.

The recent development surrounding the mines and power plant at Medupi in Lephalale has also provided a potential increase in the trade sectors contribution within this area. Not only will it bring the need for a wide variety of products to the area during the construction process, but it will also bring permanent enterprises that will need to be established in the area to service not only the power plant but also the workers working on the mines and the power plant.

5.6.1.4 Thabazimbi Local Municipality Context

The Thabazimbi LM currently has approximately 215 registered businesses, of which, 175 belong to the Thabazimbi LM Business Chamber. The total number of businesses appearing in the local directories ranges from 440 to 460 businesses, indicating that only about a third of the businesses in the Thabazimbi LM are registered.

The Thabazimbi LM has three major shopping malls that currently have Pick 'n Pay, Spar and Shoprite respectively as anchor tenants. These three malls host approximately 45 of the local businesses.

The rest of the registered businesses are spread across town. The majority of registered business in Thabazimbi LM operate from smaller shopping malls and standalone premises in the town's commercial areas.

In addition to the existing three major shopping malls, seven additional shopping malls have been approved by the Local Municipality. Two of these malls, the Thaba Mall and the Marikele Mall are in the early stages of their development.

The Thaba Mall is currently being built right next to one of the existing malls that has Pick 'n Pay as an anchor tenant. Pick 'n Pay will relocate to the Thaba Mall and will become the anchor tenant of the new mall. The Marikele Mall will open in 2015 and will be located a couple of kilometres down the road from the current Pick 'n Pay. This Mall will have Checkers as its anchor tenant.

If all the approved malls are built, it will change the landscape of Thabazimbi LM's commercial centres. It has also been questioned whether so many new malls will be sustainable and what effect it will have on the existing smaller malls and standalone businesses.

Trade in Thabazimbi LM has consumer and business buying leakages. Many residents

drive to Rustenburg or Gauteng to do their monthly shopping. An example of business to business level leakages is Anglo America that has only two accredited service providers in South Africa for signage. These companies operate out of Johannesburg and Witbank and have branches in Rustenberg. For any signage requirements, residents of Thabazimbi LM would purchase from these approved services providers, even though the facilities to print and install their signage is available at one of the local businesses.

It is in the best interest of the Thabazimbi Local Municipality to promote and support local businesses. When the community or local business buy from companies close to home, they keep the money in their own community, which in turn helps the local economy. When the community or local business buy products and services from their friends and neighbours, they help add levels of connection to existing relationships. The familiarity of local business makes them accountable to the community in ways that are rare when dealing with companies based in distant cities.

The Thabazimbi LM currently has very few manufacturers or businesses that create finished goods from raw materials. Current operations include a small brewery that manufactures craft beers along with clamps for mines, leather tanning and taxidermy enterprises. Little value is added to raw materials produced in the Thabazimbi LM.

There are many linkage opportunities with the agricultural sector. Thabazimbi LM has an ever expanding game farming segment. This provides opportunities in already strong hunting, game breeding and game auction markets.

The skills and qualifications to work with venison are already in the Thabazimbi Local Municipality. A real opportunity exists to establish a venison based red meat packaging industry which includes biltong

and dry goods manufacturing and packaging. The main obstacle to overcome for this venture is to ensure a constant supply of stock.

Other opportunities are to strengthen the existing leather, tanning and taxidermy services to a point where there is a constant supply of leather. This leather can be used to create products such as leather jackets, handbags, watch straps, shoes, belts, wallets, briefcases, leather furniture, horse halters and saddles.

Business in the Thabazimbi LM has indicated that there are a number of areas through which the Thabazimbi Local Municipality can enhance the business environment in and around the Thabazimbi LM.

Local business has sited access to information as an unnecessary barrier. Specific reference has been made to general administrative issues such as billing enquiries, general business enquiries and assistance with rezoning of guest houses in particular.

Residents are of the opinion that special attention needs to be made on the entrance of the town with the preference being to extend the town entrance to Ben Alberts, as the current entrance does little to attract people to the town.

Settlements that receive municipal waste collection services are the Thabazimbi LM, Regorogile, Rooiberg, Northam and Leeupoort. Other settlements in the municipality in the remote rural areas also receive the service. In mining areas, the mines collect the waste from the settlements near their jurisdiction. The Thabazimbi LM has four landfill sites and three permitted sites.

"After our four hour morning game drive it was time to move on once again, further north as we crossed over the North West border into Limpopo. Our first Limpopo town was Northam and on first impression not that great. It seems that either planning or municipal action are two things that are lacking in towns like Northam. As we entered the town on the left, right on the main road was a dump site and as you drove through the town itself you were confronted with overflowing bins, rubbish building up and mess everywhere. Municipal strike?...more than likely, however it was clear that the rubbish was the result of at least a one month build up. So why is it that private refuse removal cannot be sourced or a back-up plan be made? The health of the town after all is at stake."
<http://theexpeditionproject.com/news/blog-archive/1059-2012-weekly-summary-12-25-mar-2012-zeerust-to-thabazimbi>

In general, the residents, businesses and institutions are the main producers of municipal solid waste. Some of the waste is hazardous and requires special handling to protect humans and the environment. These hazardous wastes include pesticides, petrochemicals, medical wastes and heavy metals. Unfortunately, the Thabazimbi LM's main landfill is close to human settlement. None of the waste is currently being recycled. The municipality is not strong in controlling both solid and hazardous wastes.

Opportunity exists for recycling of waste. A recycling plant will serve a dual purpose by creating work for the unemployed, as well as assisting in keeping the town clean.

The Thabazimbi Local Municipality already has a number of festivals, ranging from small events such as church bazaars, to major music festivals (Oppikoppi) and the Wild Expo that attract tens of thousands of visitors. The Marakele National Park also hosts a unique marathon where runners run amongst the big five. The marathon is still a very small race and there is an opportunity, through more intensive marketing, to make this a very special event in the running fraternity's calendar.

The Thabazimbi LM has approximately 100 guest houses and lodges in and around the Thabazimbi LM. The majority of the guest houses in the Thabazimbi LM are sustained by long rental agreements by contractors working predominantly at the mines.

The majority of these guest houses are being operated in residential areas. Few of the guest houses have been zoned correctly. The guest house operators that have applied for rezoning had little to no feedback on the progress of their application.

The Kumba Thabazimbi Mine operates a local community training facility in the Thabazimbi LM on mine property. The Itireleng Skills Development Centre is formed from the Sotho word for 'do it for yourself'. The objective of the centre is to empower unskilled and unemployed people who live nearby. Training is provided free and only local people are recruited. When the facility opened, the mine invested R800,000 in machinery and equipment to get the training centre started.

The facility provides basic training in a variety of fields, focusing on capacity building and job creation. Training is divided into two main categories – technical and life skills.

Three-month technical skills courses include plumbing, welding, carpentry, bricklaying and motor mechanics. These technical courses are currently unaccredited, but the process is underway.

The training centre provides life skill courses, such as sewing skills and jewellery manufacturing. These courses have shown some success. Anglo America assisted some of the women who completed the sewing course to register a company, the Masithembe Project that manufactures mining overalls that are purchased by the local mines. When there are vacancies, the company recruits from those who complete the sewing skills course.

The jewellery manufacturing course provides training up to level 4. The training facility previously only offered level 1, but has been upgraded to incorporate level 2 students. The best students are offered the opportunity to further their studies at Mintek in Randburg, where four students are currently studying level 4 jewellery manufacturing.

Through this intervention, the people of the area are far more likely to find employment. Since its inception, the centre has trained hundreds of community members, many of whom are finding employment locally.

The centre depends heavily on the mines for financial support, but to ensure its long-term sustainability, the centre has started to provide services to the neighbouring community to generate an income. These services include building structures for local schools, erecting fences and undertaking minor renovations, while the life skills trainees manufacture hand-crafted corporate gifts for local clients. In addition to generating some income, trainees develop practical experience.

The Itireleng Skills Development Centre also provides ABET training. The ABET training is split into two sectors, offering training to both mine employees, as well as some training to the community.

All new mine employees are to complete an induction programme. The application for the induction is undertaken at the mine, but the rest of the skills training is conducted at the Itireleng Skills Development Centre.

Mine employees are also regularly sent to further their studies as full time students at the skills development centre. NQF 2, 3 and 4 courses are offered with Mathematical Literacy and Communication in English as mandatory subjects. Once the student reaches Level 4, he or she can select elective subjects, such as Introduction to Mining type of subjects, Metrology and Engineering.

One of the initial purposes of offering these courses to mine employees was to assist them in transitioning from using Fanagalo to English in the mines. The process would have been to teach them English, based on their mother tongue, which is mostly Sotho in the Thabazimbi LM. The educators discovered that many workers were illiterate in their own mother tongue and additional courses, or PRE-ABET courses, were introduced to assist them with learning their mother tongue first and then English.

Community ABET training is done throughout the day. Students can select any one of the four 2-hour classes on the day. This allows students to come to class at the time that suits them or their employer best. Students write either the June or November IEB exams at the completion of their studies. The only two courses offered to the community are the two mandatory courses, Mathematical Literacy and Communication in English at Level 1, 2 and 3.

Other subjects that are potentially going to be offered at the Itireleng Skills Development Centre are SMME, Life Orientation and Natural Science. SMME in

particular is a good subject for assisting students with developing basic entrepreneurial skills, such as how to write a business plan, how to work out setup cost, etc.

5.6.2 Current Situation

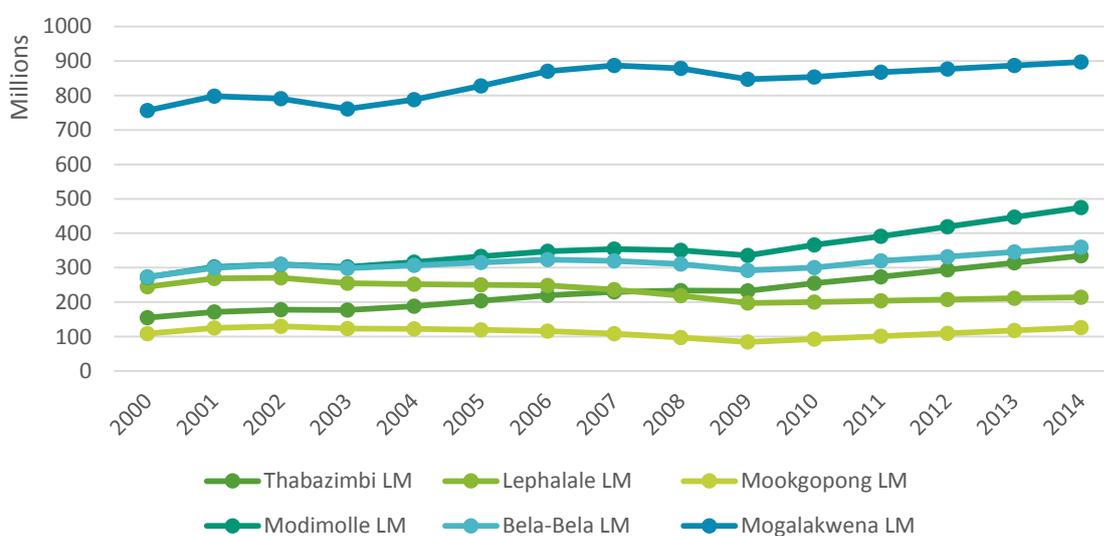
5.6.2.1 Production Output Levels

When the production trend in Figure 34 is considered it can be seen that the TLM has seen a steady increase in production over the last two decades. Fluctuations in the production trend have been kept to a minimum, which provides a good indicator for the local economy. The TLM has the fourth strongest trade sector in the WDM and is the only LM, next to Modimolle, that has seen an increase in the production output within this sector in the last five years.

5.6.2.2 Employment Trends

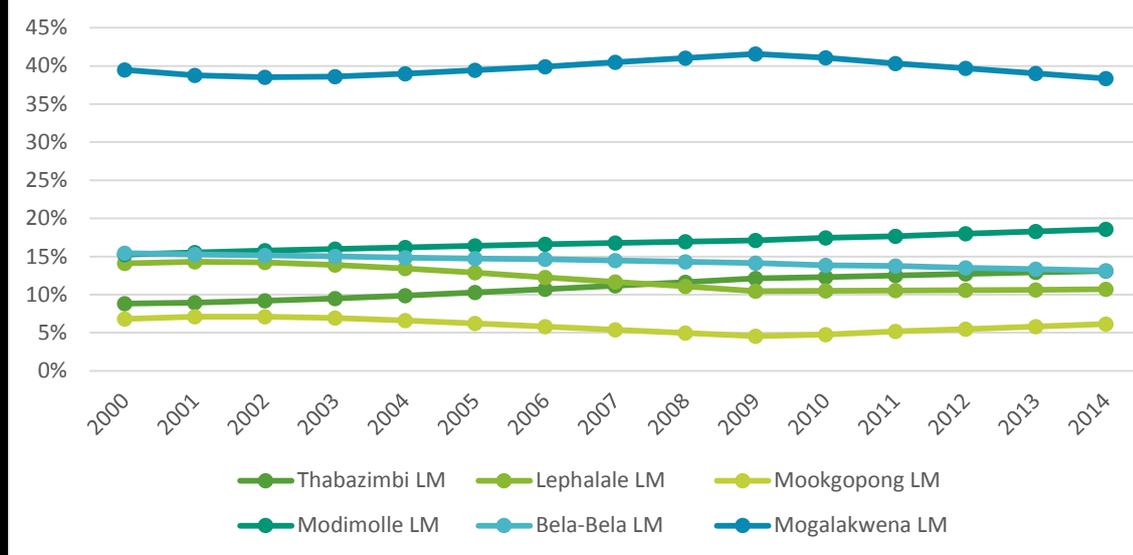
As seen in Figure 35, the employment trend in the TLM, compared to the other municipalities, has seen a more stable situation from 2000 until 2014. Most of these LM's have seen their employment decrease to the same level as TLM, with only Modimolle and Mogalakwena having a better employment trend than the TLM. As

Figure 34 - Trade Production Output (GVA) in Thabazimbi LM, 2014, 2000-2014



Source: Standard Regional Quantec Research, 2014

Figure 35 - Trade Employment in Thabazimbi LM, 2000-2014



Source: Standard Regional Quantec Research, 2014

seen in Figure 35, the TLM employs 13.6% of the total workers within the WDM, this provides a steady base of employees that has not changed significantly over the last few years and which can be used to encourage further growth within this area and to build on this sector’s existing skill base.

strength of others, in this case the TLM compared to other LM’s in the WDM. It further identifies sectors that warrant attention for targeting efforts by evaluating levels and changes of the LQ value. This assessment will be presented in Figure 36.

5.6.2.3 Location quotient

The LQ assessment is an important parameter for the strength of a sector within a particular area compared to the

Figure 36 - Location Quotient of the Trade Sector per LM, 2013 (Production and Employment)



Source: Standard Regional Quantec Research, 2014

5.6.3 Business Surveys

5.6.3.1 Formal Business Activity – Survey Findings

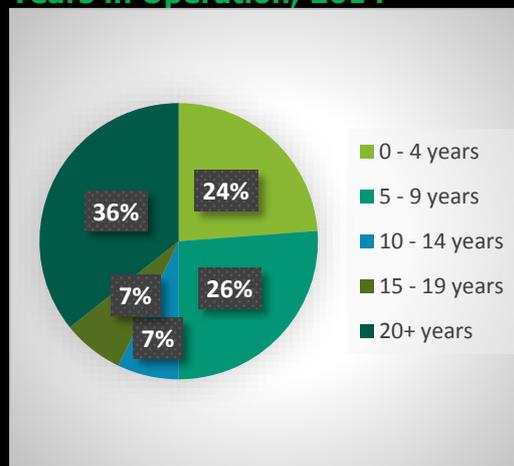
The small business and retail survey was conducted during October 2013 and March 2014. The formal business survey addressed several key components, including business characteristics, location and challenges, market linkages, historic and future trends and business confidence. In total, 43 business owners from within the Local Municipality participated.

Most of the formal businesses that partook in this survey operate within the Trade Sector (wholesale and retail). Businesses from this sector represent 81.4% of the total businesses that are found within the formal Thabazimbi Local Municipality business sector. The rest of the participants are found within either the finance and business or personal and community services.

As shown by Figure 37, businesses within the TLM show a healthy time in operation as most of the businesses (36%) have been in operation for more than 20 years. A further positive indicator in this regard is that 14% of businesses show that they have been in operation between 10 – 20 years and 50% of businesses have been in operation for less than 10 years. This demonstrates that, even though a healthy percentage of businesses have been in operation for a long period of time, there are still opportunities for new entrants into the market, especially in the same sector as most of these businesses are, within the wholesale or retail market. Figure 38 illustrates that most of these businesses are either owned by one person or a small group of people (42%) or are franchises under franchise agreement (30%). Large corporations also play a substantial role in the ownership model of formal businesses found within TLM, with 28% of these corporations either having a head office or a branch established in TLM. This illustrates

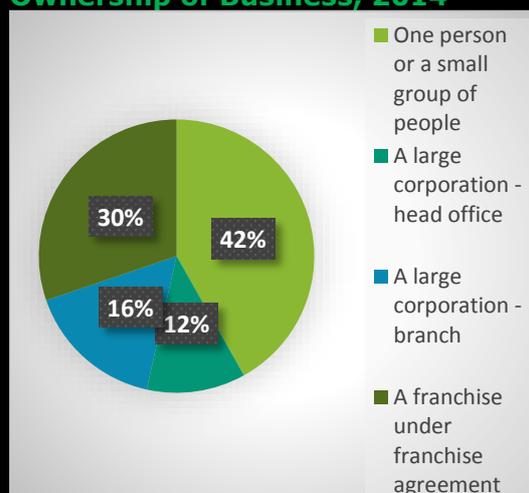
a diverse ownership model in the local economy which should be more resistant to fluctuations in the economy as a whole.

Figure 37 - Formal Business – Years in Operation, 2014



Source: Urban-Econ Business Survey, 2014

Figure 38 - Formal Business – Ownership of Business, 2014



Source: Urban-Econ Business Survey, 2014

Formal business were also asked about the three main advantages of their present location in order to formulate a better understanding of the local businesses advantages in the area, the following were the main reasons provided:

- 1) Proximity to consumer demand
- 2) Local accessibility
- 3) Suitable premises

In relation to the advantages, the disadvantages were also obtained in order to draw a more conclusive analysis of the local business sphere. These were the three

main disadvantages to the present business locations:

- 1) No economic growth/development
- 2) Crime and security
- 3) High unemployment

The influence of business chambers and supporting organisations was also assessed, with 11.7% of surveyed businesses found to belong to a business entity. The prominent organisations were the Thabazimbi LM business chamber and the Thabazimbi LM Independent Practitioner Association. This indicates a real need for business cooperation and organisation in order to collaboratively address the disadvantages presented above.

Most businesses indicated that the majority of their stock (78.8%) was sourced from outside the District Municipality, with the majority of supplies sourced from either Johannesburg or Tshwane. Products or services offset area for these local businesses is mostly within the local municipality (73.8%), Thabazimbi LM was attributed the main offset area. Other offset areas for products/services are, listed in order of prominence; Rustenburg, Northam and Bela-Bela. All the enterprises indicated that their clientele are from the public sector, which is mainly due to the fact that

the majority of these businesses operate within the wholesale or retail sector. There was only one company that indicated that it exports goods to the rest of Africa. The isolated nature of the local economy was the main reason cited for the lack of export from the area.

Interestingly, 11.6% of companies indicated that they produced hazardous waste that needed to be discarded.

The last set of questions regarded five pertinent indicators in the business environment namely; turnover, production, employment, market share and physical space. These indicators were used in order to ascertain the local businesses' perception of the position of these indicators within the local economy. This collectively gives a better understanding of the whole formal business sphere and local economic trends.

Figure 39 shows the perception of formal businesses regarding growth during the last three years. Most businesses stated an increase in turnover, however many businesses also experienced a decrease in turnover of 35.3%. Production, for the greatest part, stayed the same and this is also reflected in employment, although an increase double that of decrease was experienced over the last three years.

Figure 39 - Formal Business – Formal Business Growth, 2011-2013



Source: Urban-Econ Business Survey, 2014

More than half of the businesses' market share stayed the same, while a substantial number of businesses experienced a decrease in their market share. The physical space of most businesses also didn't change over the last three years and 9.1% indicated an increase. This can be ascribed to the limitation in available land for expansion due to the topographic layout constraints experienced, especially in the town of the Thabazimbi LM. Another global trend is the tendency of businesses to increase production and employment rather than purchase or lease additional premises, as this would require added capital outlay.

Projected trends were also ascertained from formal businesses with the same indicators used as in the historical trends. These projected expectations of businesses owners were for the next 12 months, shown in Figure 40, with the majority of local enterprises illustrating a confidence in their businesses that foresaw an increase in both turnover and production, however most indicated that their employment, market share and, especially, their physical space should remain the same. A troubling indicator however, is the expectation that there will be a definite decrease in employment, as 20% of businesses showed no need of workers' services in the coming months. Although 10% indicated that they

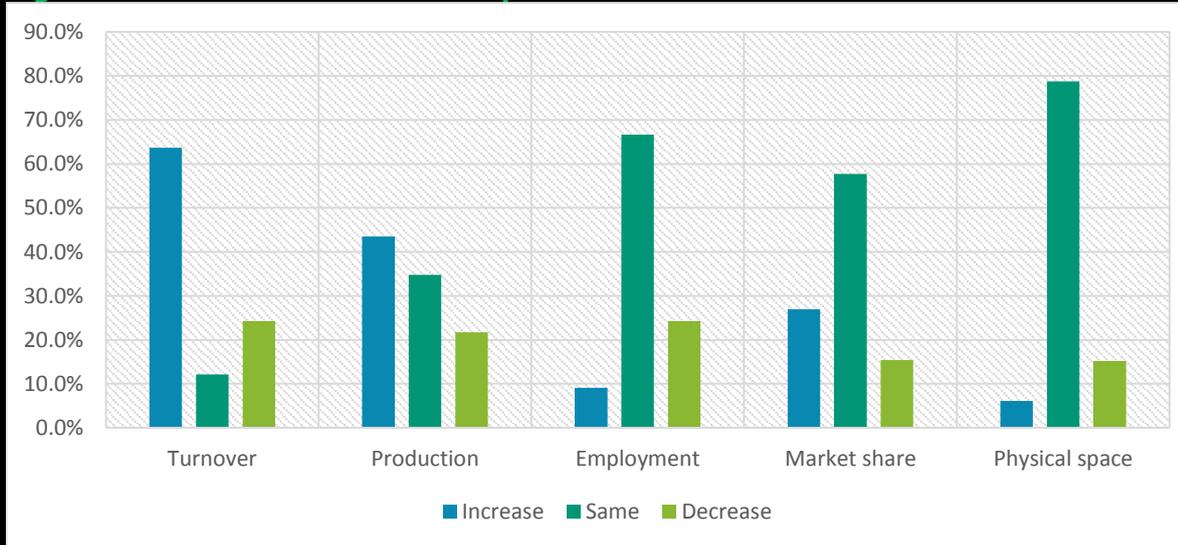
will hire more workers, this is still a potential loss of 10% of the current workforce within the formal business environment and employment is already a significant challenge within the TLM.

Finally, formal businesses in the TLM were asked about their business confidence in the local economy; the majority of enterprises (60.9%) said they had a good or excellent business confidence in the area, a further 31.7% of companies indicated a fair business confidence and only 7.3% of businesses indicated that they had an unfavourable business confidence in the TLM. This shows a general positive outlook from businesses to either increase involvement in the local economy or keep their current involvement in the local business area.

5.6.3.2 Informal Business Activity – Survey Findings

The informal business survey was conducted during October 2013 and March 2014. The purpose of this research was to develop a profile of informal business activity in the Thabazimbi Local Municipality and to identify opportunities for formalisation and development. In total, 61 informal businesses participated in the survey, with the majority of these informal businesses trading with either snacks, fruit

Figure 40 - Formal Business – Expectation over next 12 months

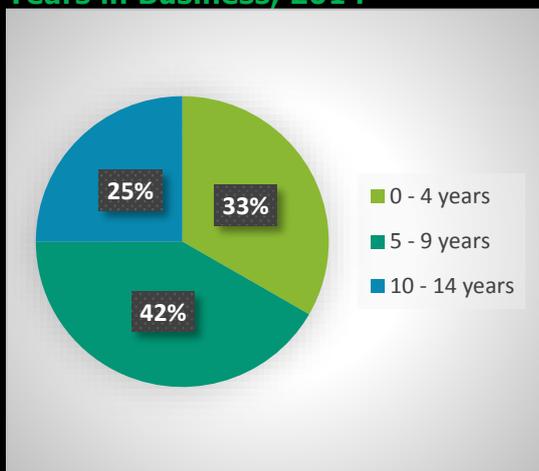


Source: Urban-Econ Business Survey, 2014

and tobacco (34%), public telephone services (26%) or with other products or services such as clothing, bakery products, shoe sale or repairs, motor vehicle parts, cell phone accessories or meat products.

As seen in Figure 41, 42% of informal businesses have been operating in the area between five to ten years, with 33% of the respondents indicating that they have only been in operation in the area for less than five years and 25% have been trading in the area for 10 ten years or longer. This provides a diverse informal business profile showing, not only an opportunity for longevity in the informal business sector in the TLM, but that there are viable opportunities for new entrepreneurs to enter the informal market. It further indicates that there are real prospects and a need for the formalisation and organisation of these informal businesses to strengthen the SMME sector in the area and to help with the growth of the local economy.

Figure 41 - Informal Business – Years in Business, 2014



Source: Urban-Econ Business Survey, 2014

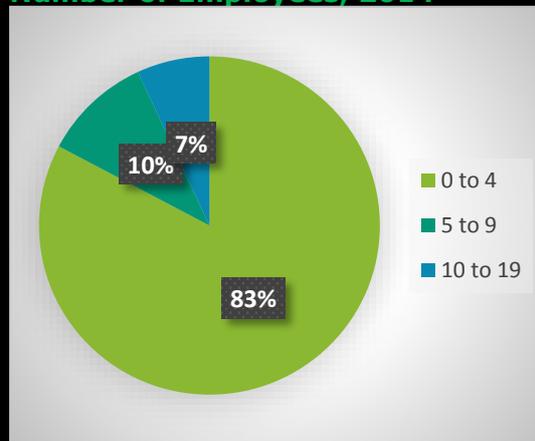
Participants further indicated that 95% of them were self-employed and 88% had no other work nor any other occupation as this was their full-time job. Regarding other or another employment opportunity, 93.4% said that they were not in search of such prospects and were satisfied with their current situation. When asked to provide reasons for starting to work in the informal

sector, 57.4% stated the desire to have their own business, a further 34.4% stated that they were unemployed and had no other choice but to enter the informal business sector and lastly, a small percentage of informal traders said it was to earn extra money.

When asked about their previous occupations before starting in the informal sector, 86.2% said unemployment, other answers were diverse and included working at the mine, working at a shop in the area, taxi driver and domestic work (at someone's house). The respondents further indicated their education and experience, with 59.3% of them having completed matric, 20.3% stating that they had only completed grade seven or lower and 10.1% said that they were experienced shop workers. A small portion stated that they had either a degree or diploma, were trained in arts, crafts and curios, qualified technicians or skilled farm workers.

Employment in the informal sector, as seen in Figure 42, shows that 83% of informal businesses have less than five employees, 10% have five to nine employees and 7% have more than 10 employees. Almost all of these workers were employed full time, with just over half being paid less than R100 per day.

Figure 42 - Informal Business – Number of Employees, 2014



Source: Urban-Econ Business Survey, 2014

Informal business owners indicated that most of their supplies were obtained from

suppliers within the local municipality (62.7%), with a further 29.4% stating that they acquire their stock from Gauteng and the rest of respondents (7.9%) said their supplies are from suppliers located in the rest of the Limpopo Province. Only 9.8% of suppliers gave credit to these informal traders, while 21.6% gave special prices to these business owners because they were in the informal business sector. These informal traders indicated that 56.7% of them bought their supplies in bulk and 38.1% of informal businesses needed a place to store their goods, paying on average of R244 to store goods overnight. These indications show that there is a basic understanding of supporting initiatives that they can follow in order to have more successful business. This can be encouraged in order to improve the entrepreneurial environment within the area.

As expected, business owners were reluctant to answer when asked about their turnover and profit margins, only 11.5% of these owners gave their approximate financial figures. However, from this data a slight understanding of these informal traders can still be made. Most of these informal businesses' weekly turnover was less than R2,000, with their weekly profit less than R1,000, indicating a relatively positive outlook for the possibility of

sustainable trading in the informal business sector. In accordance with this, most of these partakers stated that, in a good week, they earn anything between R2,000 and R5,000 and in a bad week, anything between R1,000 and R2,000.

What is encouraging is that 90.3% of informal traders said that they did not need to borrow cash for their businesses, which shows the financial security of these informal trading businesses. Those that did borrow cash for their business activities used it mostly for start-up costs and borrowed money from banks. Furthermore, only one of the interviewees indicated that they belong to a street trading organisation, which shows a lack in organisation. This is to be expected within the informal environment. However, it provides an opportunity for formalisation of business activities.

Informal business owners were asked about their perception regarding the growth of their business over the last three years. As seen in Figure 43, 75.9% of business owners indicated that they experienced an increase in their turnover, 94.1% specified that they had no change in their workforce and all of the respondents said that the physical space used for informal business has stayed exactly the same over the last 3 years. The positive outlook of these observations is that there has been a

Figure 43 - Informal Business – Growth, 2011-2013



Source: Urban-Econ Business Survey, 2014

relatively minor to no decrease in any of the indicators, showing that there is a good informal sector that can be exploited for economic growth and employment opportunities.

Informal business owners were also asked about their expectations for the next 12 months, with the same parameters utilised as for their perception regarding business growth over the last three years. As illustrated in Figure 44, almost 80% said that they expected an increase in their turnover, 97% indicated that their employment will, for the most part, stay the same, only 3% said that they expected an increase in employment and most believed that the physical space will stay the same as well. This is once again positive for the potential growth of the informal sector as it shows that there are, once again, employment opportunities.

Informal business owners were lastly asked about their confidence in doing business in Thabazimbi Local Municipality. Of the respondents, 34.4% stated that their confidence was poor or bad, 40.1% indicated that their confidence was fair and only 24.6% of respondents said that their business confidence in the area was either good or excellent.

5.6.4 Development Potential

5.6.4.1 Potential Analysis

- According to the National Planning Commission small, medium and micro business contribute more than 40% of South Africa’s GDP and account for more than 60% of all employment. Thus, the NDP identifies the small business sector as crucial to achieving accelerated economic growth and lower unemployment
- Local procurement helps grow local business and the economy. This can be encouraged through assembling a comprehensive local business directory, local business advertising campaigns and incentives.
- Develop advertising campaigns to promote local businesses.
- Provide initiatives to encourage SMME development and entrepreneurship.
- Encourage entrepreneurship in schools so more students will not be afraid to enter into the small business sector once they finish school.
- Upgrade informal trader stalls and support informal business by providing small business education support and storage facilities.
- Develop incubation hubs and enterprise zones to help guide and develop entrepreneurs, thus creating an enabling environment for development and growth.

Figure 44 - Informal Business – Expectations over the next 12 months



Source: Urban-Econ Business Survey, 2014

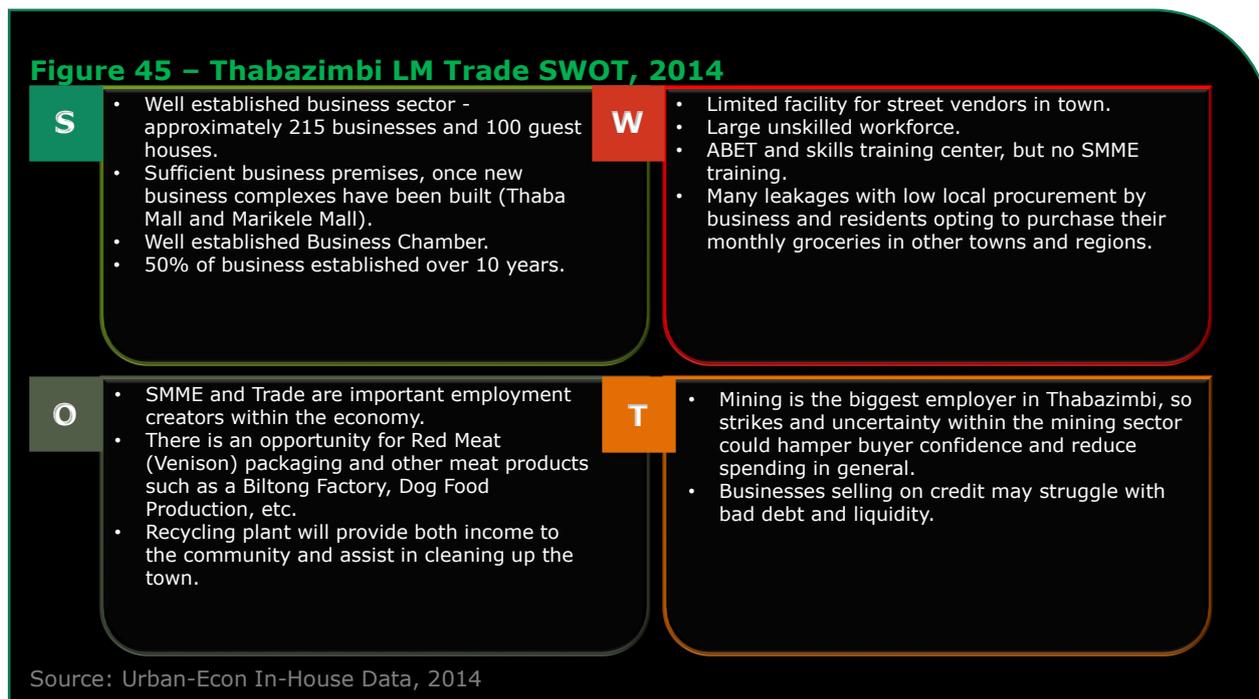
- Opportunity exists for the establishment of a recycling plant to help reduce the amount of waste in the municipality.
- Steps should be taken to strengthen and develop local businesses, such as the existing leather, tanning and taxidermy industry.
- Establish a venison based, red meat packaging industry that will include manufacturing and packaging components to take advantage of the international trend favouring organic and healthier red meats.
- Develop businesses that will finish products within the Thabazimbi LM so less raw materials are sent out of the municipality.
- Investigate methods to extend the value chain of products produced in the Thabazimbi LM.
- Sufficient business premises will be available once the new business complexes have been built namely the Thaba Mall and the Marikele Mall.
- SMME and trade are important employment creators within the economy.
- There is an opportunity for the creation of businesses that can produce red meat, venison, packaging and other meat products.
- The opportunity exist for a recycling plant that will provide income to the community and assist in cleaning up the municipality.
- Create a trade park for day labourers where they can register their skills and have a place to wait during the day until they receive work. The workers in the park can be separated according to the skills they have, thus making it easier for people to find someone who can do exactly what they need. A problem with this opportunity is how to establish a fair and competitive wage for the workers.
- Develop centres, similar to Hartbeespoort Dam's system that combine trade and tourism in a way that makes it convenient for tourists to shop and businesses to operate.

5.6.5 Development Constraints

- There are consumer and business buying leaks within the Thabazimbi LM as many residents go to Gauteng or Rustenburg to do their monthly shopping instead of buying goods within the municipality.
- Thabazimbi LM has very few businesses or manufacturers currently in operation that create finished goods from raw materials.
- Local businesses have poor access to information, which is creating an unnecessary barrier to their operations.
- There are limited facilities for street vendors in town.
- The Thabazimbi LM has a large unskilled workforce.
- Mining is the biggest employer in the Thabazimbi LM so the strikes and uncertainty within the mining sector could hamper buyer confidence and reduce spending in general.
- Businesses selling on credit may struggle with bad debt and liquidity.
- The municipality is not strong in controlling solid and hazardous wastes and the main landfill for the Thabazimbi LM is located close to residential areas.
- Similar to the rest, the Waterberg District Municipality, and the Thabazimbi LM has many problems with waste management:
 - Limited number of disposal sites to cover the all communities in municipal areas.
 - The geographic area is large and it comprised of mostly rural areas, with scattered villages with low population densities and poor quality roads.
 - Increased residential development in urban areas often without concurrent increase in resources.
 - Illegal dumping areas both in urban and rural settlements.
 - Most dumping sites have reached their capacity levels.
 - Limited financial resources to establish new dumping sites.
 - Refuse removal service is not up to the required standards.

5.6.6 SWOT

Figure 45 provides a SWOT analysis that summarises the Thabazimbi LM's Trade Sector.



5.7 Transport

5.7.1 Overview

The transport sector includes activities related to providing passenger or freight transport, whether scheduled or not, by rail, road, water or air and auxiliary activities such as terminal and parking facilities, cargo handling and storage. Also included in this sector are postal activities and telecommunications.

5.7.1.1 National Context

Transport systems and infrastructure is vital to both economic and social development. Transport systems and infrastructure facilitates the movement of people and goods. Without transport, persons will not be able to access jobs, health, education and other amenities. Without transport, trade would not be possible. Growth is not possible and poverty reduction cannot be sustained without physical access to resources and markets.

Transport is an enabling function without which business cannot operate. Approximately 584,000 people are employed in the formal and informal sectors of the transport sector within South Africa.

At a National Government level, various initiatives are underway to strengthen transport infrastructure. Transnet has increased capacity on its coal line and plans are in place to further expand the coal, iron ore and manganese lines. The Passenger Rail Agency of South Africa refurbished 500 metro rail coaches last year. Its new rolling stock procurement programme will commence in 2014. Over the MTEF period, Government has indicated that it will increase investment in economic infrastructure, including rail, roads and ports.

Cabinet approved the Public Transport Strategy and Action Plan 2007 – 2020 in March 2007. The strategy articulated a vision to shift public transport service delivery away from operator controlled,

commuter-based, unimodal routes to user-oriented, publicly controlled, fully-integrated, mass rapid public transport networks. The aim is to provide quality services along priority corridors, remove duplicate services and provide integrated mass rapid public transport networks. This includes transforming bus and rail services into a public transport system integrated with the recapitalised taxi services.

Sanral is an independent, statutory company responsible for the design, construction, management and maintenance of South Africa's national road network, including toll and non-toll roads. Sanral is responsible for the existing national road network of 16,170 km, at an estimated value of over R40 billion.

Transnet is a focused freight-transport and logistics company wholly owned by Government. Transnet will be spending R80 billion in capital expenditure on its ports, port operations and its freight rail network over the next five years, of which R40,8 billion is being spent on upgrading freight rail infrastructure and rail engineering. The upgrading of the freight rail infrastructure is key to the objective of shifting more freight from the road network to the rail network as well as finding a balance between road and rail in respect of the transportation of goods.

The fourth State of Logistics Survey (2007) shows that about 87% of all land freight tonnage is carried by road, with the remainder carried by rail. The National Freight Logistics Strategy is being implemented and seeks, among other things, to integrate first and second economies, and support the integration of marginalised local economies with the main logistics corridors. The key objective is to reduce the cost of doing business and remove inefficiencies placed on businesses and their long-term sustainability. The Department of Transport, in close cooperation with the provincial road-traffic authorities, is implementing the National

Overload Control Strategy to protect road infrastructure, improve road safety and ensure seamless movement of cargo. The department has also developed guidelines in cooperation with the SABS as part of promoting self-regulation in the heavy-vehicle industry. This is aimed at fostering a partnership to ensure proper load management, vehicle road worthiness and driver fitness.

5.7.1.2 Limpopo Province Context

The importance of transport systems and infrastructure had been identified in The Limpopo Provincial Growth and Development Strategy (PGDS). This strategy highlights transport as an enabler in facilitating economic growth and movement of people, goods and services.

The PGDS places the importance of transport as the heartbeat of the economy in its strategic objective of growing the economy of the province and also in improving quality of lives. Currently, road transport is the most used mode of transport in Limpopo. This is in line with the country's trend. According to the State of Logistics Survey for South Africa, 2010, road freight constitutes 88.7% of all freight movement in the country, while the rail freight constitutes 11.3%. The choice of road as a means of freight transport is influenced in some instances by reliability of mode, time to reach destination, safety of goods, and ease of access to collection or delivery points (LDRT, Freight Data Bank, 2012).

The province has the following corridors as priority corridors:

- **Dilokong Corridor**- There are three important roads along this corridor within the Capricorn District Municipal area namely Polokwane to Burgersfort (P33/1 and P33/2) via Mafefe; Flag Boshielo Dam through Lebowakgomo and Mafefe, linking the Sekhukhune District with Phalaborwa and Kruger National Park areas; and Chuenespoort via Boyne to Mankweng.

- **Phalaborwa Corridor**- connects Mpumalanga (Hazyview) with Phalaborwa and Tzaneen via smaller towns to the west of the Kruger National Park. The following road sections form part of the corridor namely P17/3-5; D726; P112/1-3; P43/2; D1308; P54/1; road section P146/1 from Klaserie to Blyde River; P116/1 from Hoedspruit to Ohrigstad via the Strijdom Tunnel; and P181/1 from Oaks to Burgersfort.
- **Trans-Limpopo Corridor**- connects Polokwane with Musina along the N1 that is a national competency.
- **East West Corridor** - links Polokwane via Mokopane to Botswana via the border posts at either Groblersbrug or Stokpoort. The following road sections are identified namely P83/1 from Mokopane to Groblersbrug; D3390 from Polokwane to Gilead; and P19/1-2 and P84/1 from Mokopane to Lephale and Stokpoort (LDRT, Freight Data Bank, 2012).

5.7.1.3 Waterberg District Context

The Waterberg District Municipality has primary national, provincial and district routes such as the N1, N11, R518, R572, R33, R510, R516, and the R101. This provides Waterberg with an extensive road network that adequately connects it with Gauteng, the North West Province, Botswana and the rest of Limpopo (see Map 12).

There is concern about the rapid degrading of many roads due to increasing economic activities in the District (increase in heavy vehicles with mining materials), and a lack of maintenance and rehabilitation. Without transport, goods as well as people, cannot contribute to the economy of a region. The development of transport in the Waterberg District is therefore of great importance, as it is the means to get the services offered and goods produced to the consumer.

If transport is in a good condition, it creates various opportunities in an economy. The Waterberg District Municipality wants to improve this sector as it has such a vital role

Major roads in the Thabazimbi Local Municipality Growth Points:

- Mookgophong to Welgevonden to Alma to Rankispaas to Marekele Nature Reserve to Thabazimbi LM
- Rietspruit to Rooiberg mine to Marekele to Matlabatsi
- Dwaalboom to Derdepoort Border post
- Koedoeskop to Northam to Dwaalboom (PPC)

The rail network in Limpopo is owned and operated by Transnet Freight Rail. Transnet only serve freight and long distance passenger services. Currently, there is no commuter rail transport services in the Thabazimbi Local Municipality.

The existing rail infrastructure is in relative good condition. There are two main lines in the Thabazimbi Local Municipality:

- Northam - Thabazimbi and Lephalale line
- Northam to Thabazimbi is a distance of more or less 46 kilometres. There are mining shafts near the following halts and stations:
- Northam
- Tussenin
- Chromedale and
- Thabazimbi

In future, the coal train from Lephalale will cease to utilise the lines going through the

Thabazimbi LM and Northam. The Thabazimbi – Northam line will only be utilised for the iron ore train that runs approximately once a week. In response to this down scaling of services in the area, Spoornet plans to move the majority of its operations at Thabazimbi to Grootgeluk in 2018.

5.7.2 Current Situation

5.7.2.1 Production Output Levels

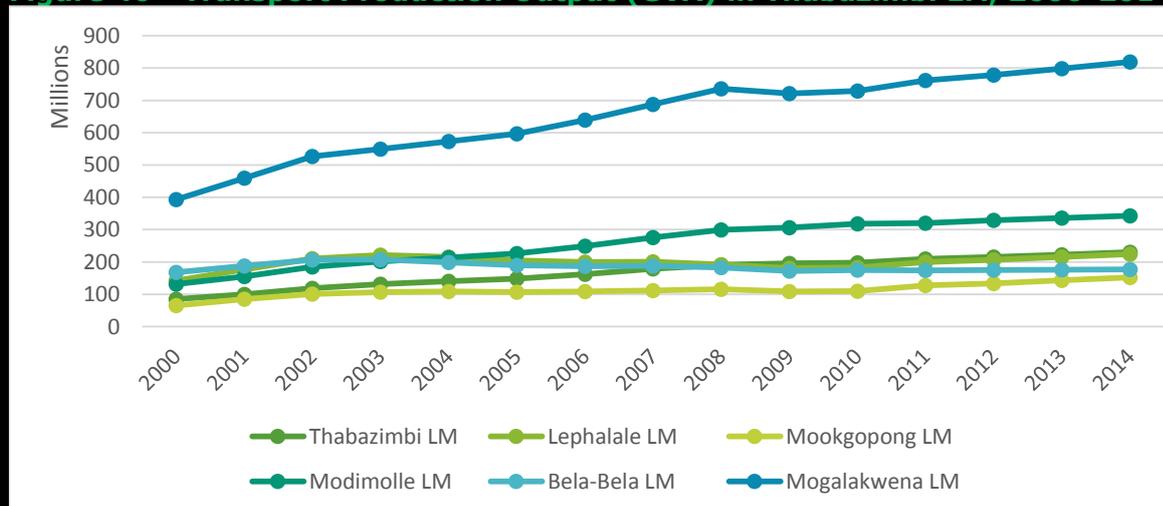
Thabazimbi Local Municipality Output Levels (GVA) for Transport has seen a steady increase over the last decade. GVA has increased from just over R84 million in 2000, to R195 million in 2009. The 2014 GVA is estimated at just under R230 million. (see Figure 46).

Considering the relocation of the Thabazimbi LM station to Grootgeluk in 2018, the Output Levels will most likely decline in future

5.7.2.2 Employment Trends

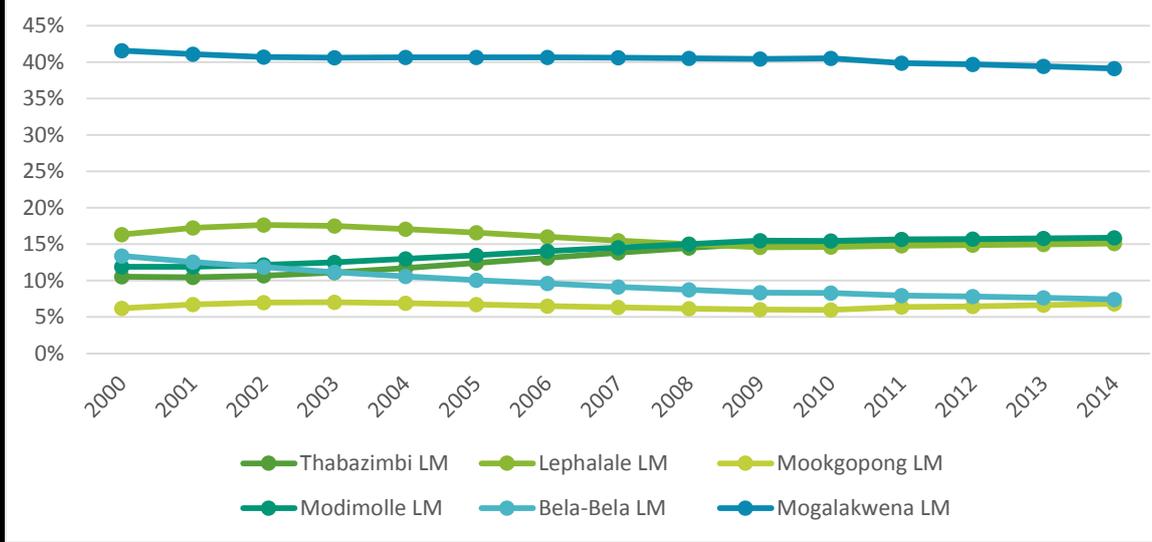
The transport sector provides work for between 500 and 750 persons in the Thabazimbi Local Municipality. This compares well with other local municipalities in the Waterberg District, with only the Mogalakwena Local Municipality creating more work in this sector (see Figure 48).

Figure 46 - Transport Production Output (GVA) in Thabazimbi LM, 2000-2014



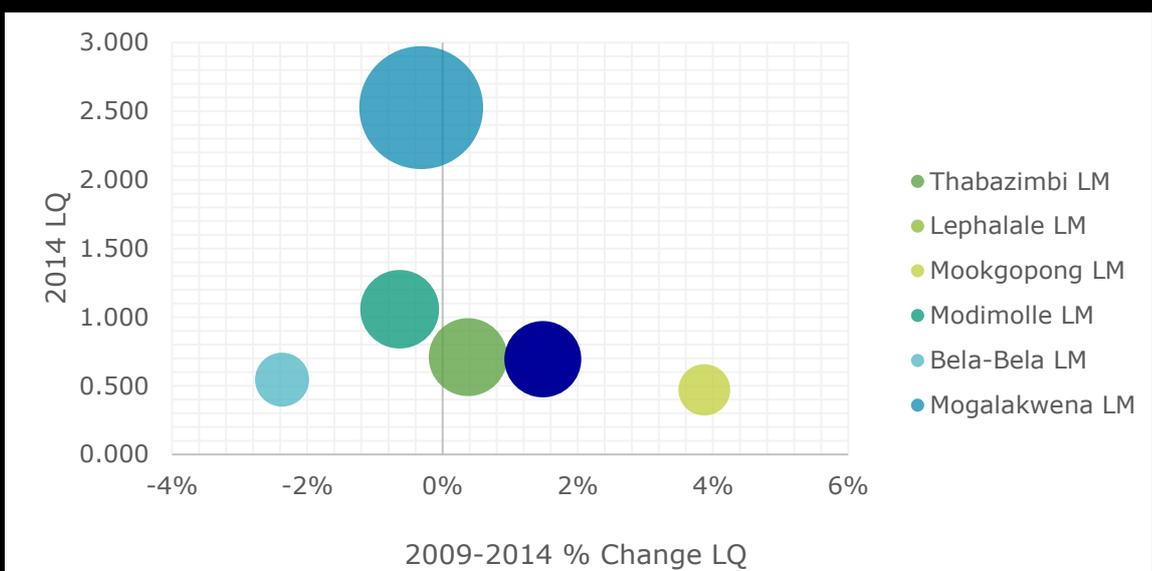
Source: Standard Regional Quantec Research, 2014

Figure 48 - Transport Employment in Thabazimbi LM, 2000-2014



Source: Standard Regional Quantec Research, 2014

Figure 47 - Location Quotient of the Transport Sector per LM, 2014 (Production and Employment)



Source: Standard Regional Quantec Research, 2014 *ROC – Rate of change p.a. between 2007 and 2013

5.7.2.3 Location quotient (LQ)

The Thabazimbi Local Municipality has shown positive growth over the past few years in the transport sector, but is less efficient than Mogalakwena and some of the other municipalities in the district. This indicates that Mogalakwena has a comparative advantage over Thabazimbi in this sector and would therefore be more likely attract investment.

The LQ also indicates that the Thabazimbi LM’s local needs are being met by the

resident sector. The region is both importing and exporting goods and services in the sector (see Figure 47).

5.7.3 Development Potential

5.7.3.1 Potential Analysis

- The Thabazimbi LM has good rail infrastructure that can be utilised for grain and other agricultural and mining products.
- With the downscaling of mining product transportation via the Thabazimbi LM, the rail line could be utilised for tourist products, e.g. a passenger rail linking with neighbouring towns, or a day-trip steam train service.
- Key trade, mining and tourist routes should be identified and prioritised for maintenance.
- The Thabazimbi LM IDP (2013-2014) identifies the presence of the railway line at Northam and the Thabazimbi LM as providing opportunities to establish businesses and industries dependent on mass transport for goods.
- To ensure and provide public transport facilities that are accessible to all (including learners).
- The Thabazimbi LM IDP suggests the development and implementation of a municipal transport plan.
- Upgrading of taxi ranks and ablution facilities in identified areas.
- To maintain and pave roads to rural communities, for example Regorogile Ext 3 and Northam.
- The Thabazimbi LM needs to develop as the eco-tourism gateway to the area between the Waterberg Biosphere and the Limpopo River. This option is however constraint by the status and condition of the R510 (Rustenburg area) and R511 (Gauteng) feeding it from the south.
- The location of mining activities in an area is linked to the availability and location of natural resources. Mining activities are present across the Thabazimbi LM, but are mostly concentrated in the areas between Northam and the Thabazimbi LM. Where such resources are located adjacent to urban environments the mining activities pose a constraint to development and hence play a decisive role in the direction of urban growth.
- The slow progress in upgrading priority mining roads due to budget constraints at the Roads Agency Limpopo (RAL) remains a salient developmental constraint.
- Motor accidents not only result in loss of life, but also place additional burdens on the Thabazimbi Local Municipality health services.

5.7.4 Development Constraints

- The general poor condition of roads in the Thabazimbi Local Municipality
- Poor storm water drainage systems hampers road traffic during heavy storms and cause infrastructural damage
- The predominant use of road freight results in heavy vehicles damaging the roads surfaces in the Local Municipality, leading to additional capital expenditure on road maintenance.
- Lack of sufficient transport facilities means that residents of the Thabazimbi Local Municipality still lack the means of convenient, affordable and safe public transportation.
- There is a general lack of facilities for trucks, including truck stops.

5.8 Other

5.8.1 Utilities Sector

The **utilities sector** covers the activities of providing electric power, natural gas, steam supply, and water supply through a permanent infrastructure (network) of lines, mains and pipes. It includes the production, collection and distribution of electricity; the manufacturing of gas; the distribution of gaseous fuels through mains; the collection, purification and distribution of water. The term “Renewable Energy” refers to different forms of energy that do not become depleted like the “fossil energy”.

5.8.1.1 Production Output Levels

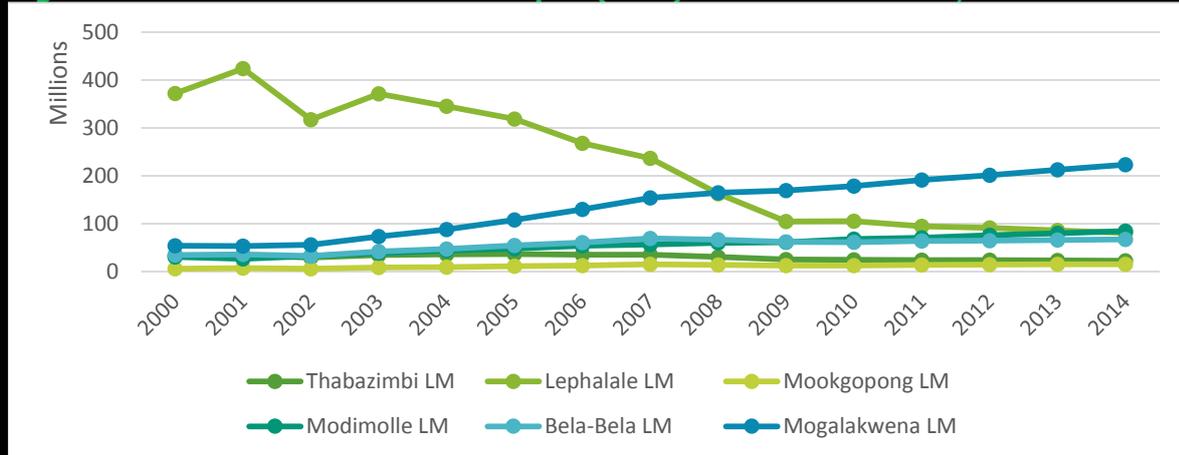
The Thabazimbi Local Municipality Output Levels (GVA) for utilities have seen a steady

decline over the last decade. GVA has decreased from just under R33 million in 2000, to R25 million in 2009. The 2014 GVA is estimated at about R22.5 million (see Figure 49).

5.8.1.2 Employment Trends

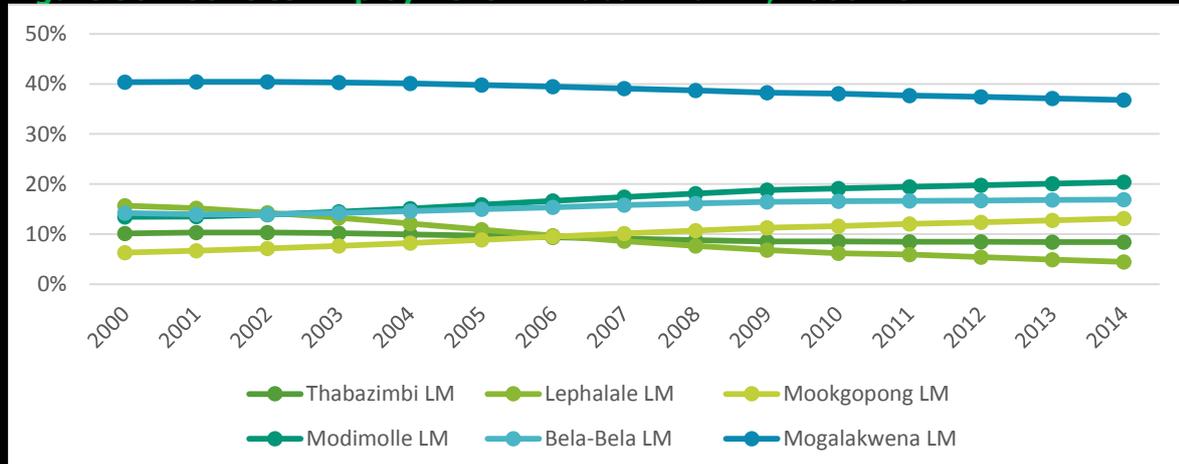
The utilities sector provides work for approximately 30 to 40 people in the Thabazimbi Local Municipality, which is equivalent to approximate 8% to 10% of employment for this sector in the Waterberg District Municipality. This is far lower than any of the other local municipalities within the Waterberg District, with the exception of Mookgopong (See Figure 50).

Figure 49 - Utilities Production Output (GVA) in Thabazimbi LM, 2000-2014



Source: Standard Regional Quantec Research, 2014

Figure 50 - Utilities Employment in Thabazimbi LM, 2000-2014



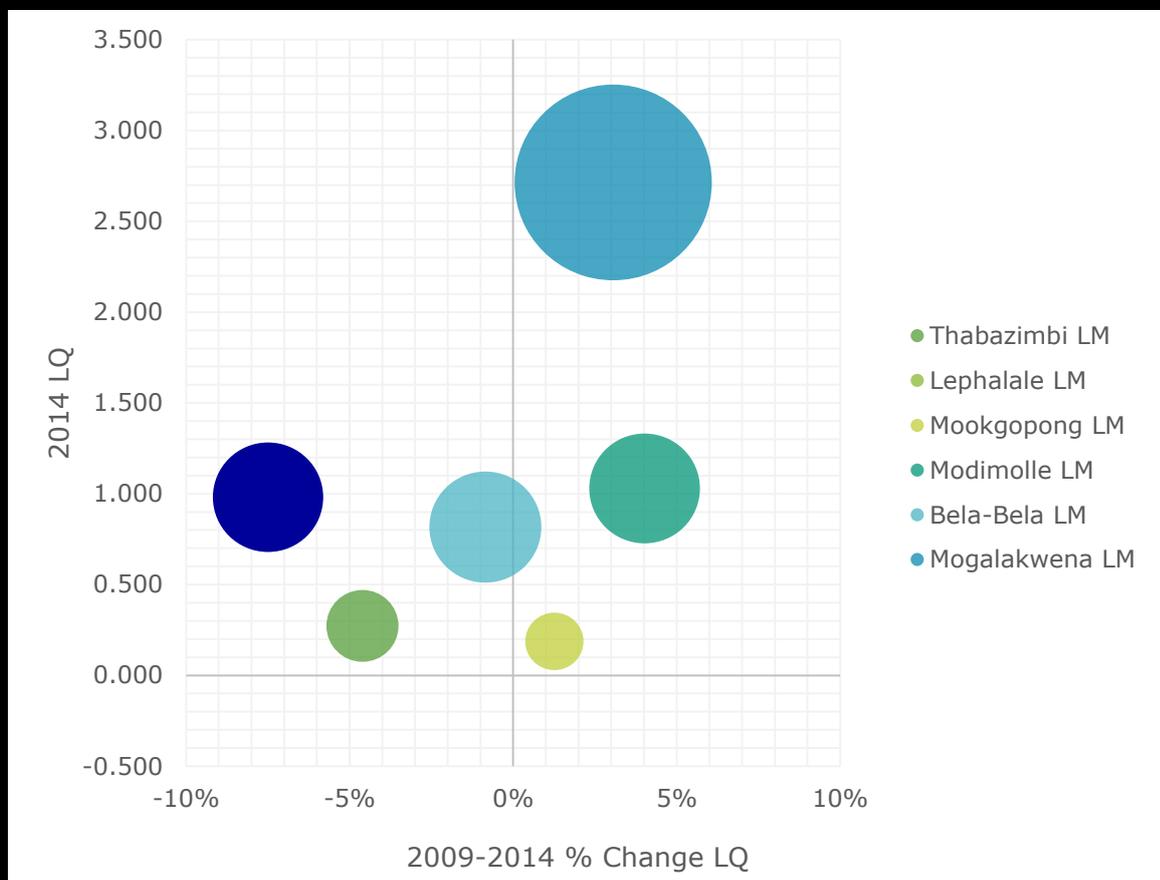
Source: Standard Regional Quantec Research, 2014

5.8.1.3 Location quotient

The LQ for the Thabazimbi LM for the utilities sector is low and decreasing. This indicates that the local need in Thabazimbi LM is not being met and that the municipality is importing goods and services in this particular sector (See Figure 51).

The Thabazimbi LM also has no competitive advantage against the other local municipalities within the Waterberg District Municipality.

Figure 51 - Location Quotient of the Utilities Sector per LM, 2013 (Production and Employment)



Source: Standard Regional Quantec Research, 2014 *ROC – Rate of change p.a. between 2007 and 2013

5.8.2 Construction Sector

The **construction sector** includes general construction and special trade construction of buildings as well as civil engineering construction, building installation and building completion. It includes new work, repair, additions and alterations, the erection of pre-fabricated buildings or structures, on site, and also construction of a temporary nature. Construction also includes tunnelling, overburden removal and other development and preparation of mineral properties and sites, excluding oil and gas sites.

5.8.2.1 Production Output Levels

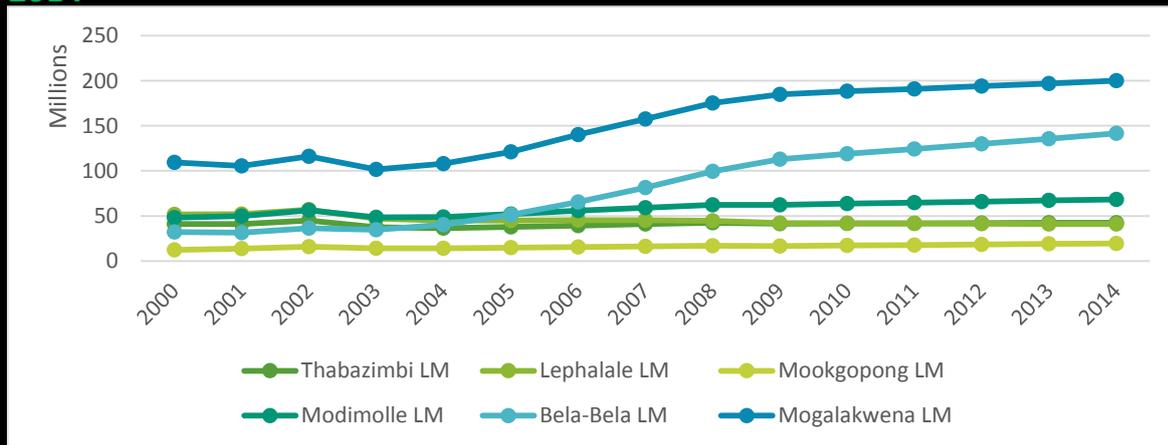
The Thabazimbi Local Municipality Output Levels (GVA) for construction have seen a

steady increase over the last decade. GVA has shown a slight increase from just under R41 million in 2000, to just over R41 million in 2009. The 2014 GVA is estimated at about R42.5 million (See Figure 52).

5.8.2.2 Employment Trends

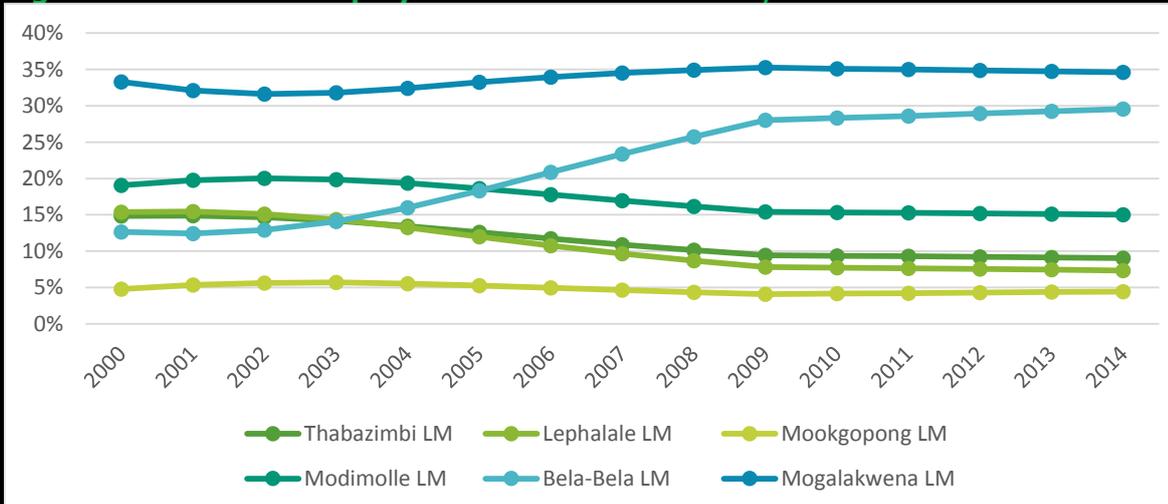
The utilities sector provides work for approximately 820 to 880 people in the Thabazimbi Local Municipality, which is equivalent to approximate 8% to 10% of employment for this sector in the Waterberg District Municipality (see Figure 53). With the construction of seven new shopping malls in the Thabazimbi LM, this number will most likely increase significantly over the next few years.

Figure 52 - Construction Production Output (GVA) in Thabazimbi LM, 2000-2014



Source: Standard Regional Quantec Research, 2014

Figure 53 - Utilities Employment in Thabazimbi LM, 2000-2014



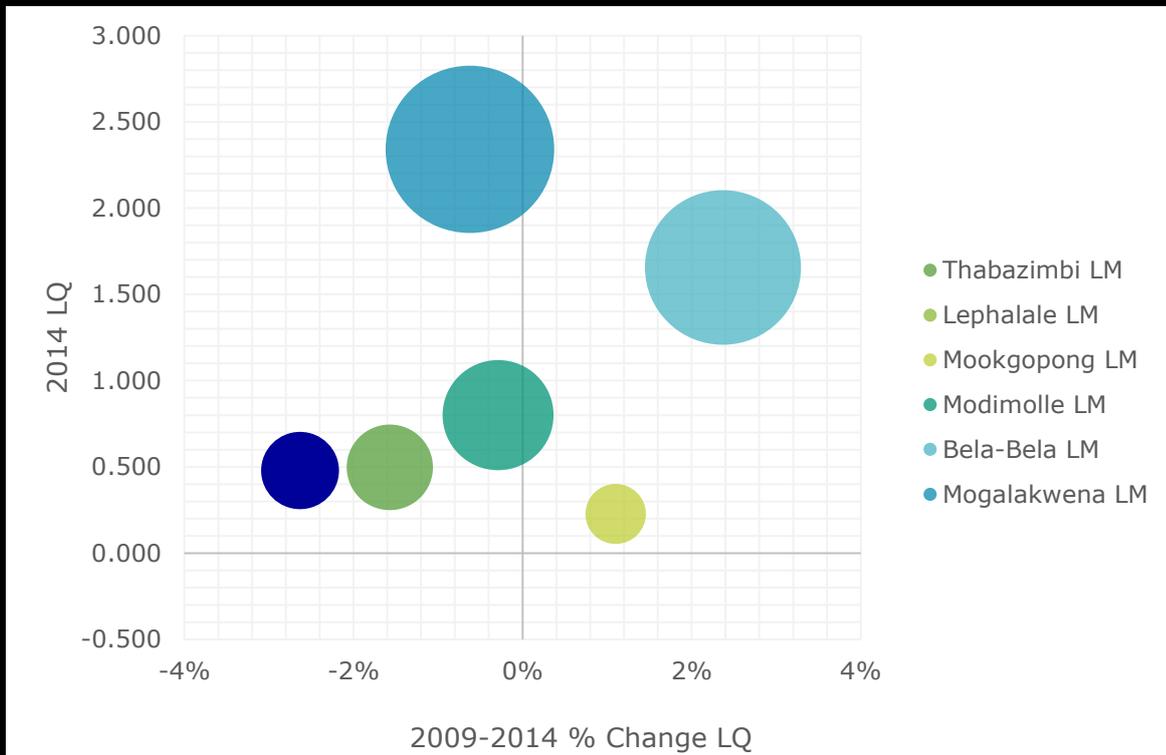
Source: Standard Regional Quantec Research, 2014

5.8.2.3 Location quotient

The LQ for the Thabazimbi LM for the construction sector is low and decreasing. This indicates that the local need in the Thabazimbi LM is not being met (see Figure 54).

The Thabazimbi LM also has no competitive advantage against the other local municipalities.

Figure 54 - Location Quotient of the Construction Sector per LM, 2013 (Production and Employment)



Source: Standard Regional Quantec Research, 2014 *ROC – Rate of change p.a. between 2007 and 2013

5.8.3 Finance Sector

The **financial sector** includes establishments operating primarily in the fields of finance, insurance, and real estate. Finance includes depository institutions, non-depository credit institutions, holding (but not predominantly operating) companies, other investment companies, brokers and dealers in securities and commodity contracts, and security and commodity exchanges. Insurance covers carriers of all types of insurance as well as insurance agents and brokers. Real estate includes owners, lessors, lessees, buyers, sellers, agents, and developers of real estate. (SIC)

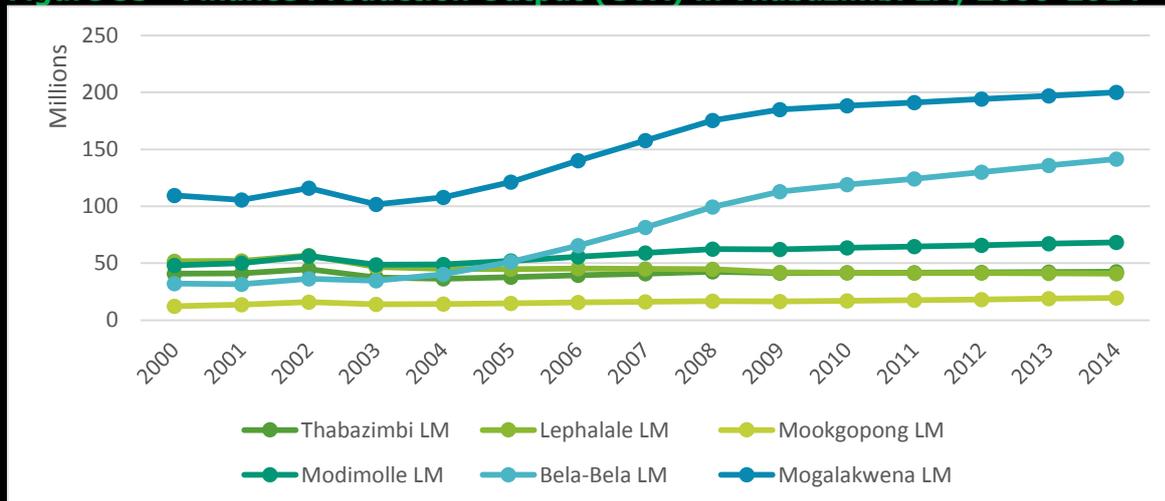
5.8.3.1 Production Output Levels

The Thabazimbi Local Municipality Output Levels (GVA) for finance have seen a steady increase over the last decade. GVA has shown an increase from R170 million in 2000, to just over R230 million in 2009. The 2014 GVA is estimated at about R248 million (see Figure 55).

5.8.3.2 Employment Trends

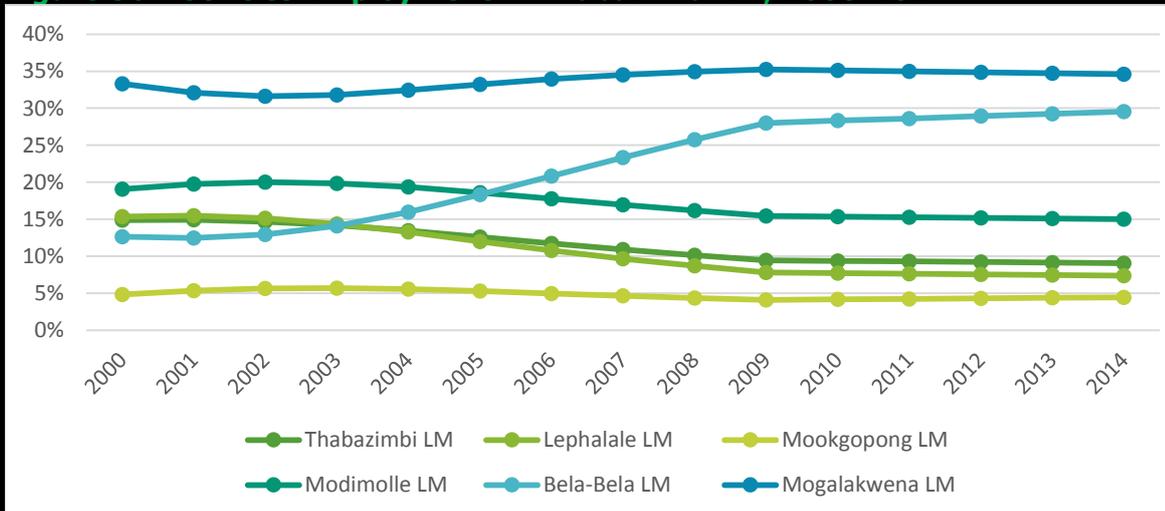
The finance sector provides work for approximately 820 to 860 people in the Thabazimbi Local Municipality, which is equivalent to approximately 8% to 10% of employment for this sector in the Waterberg District Municipality (see Figure 56).

Figure 55 - Finance Production Output (GVA) in Thabazimbi LM, 2000-2014



Source: Standard Regional Quantec Research, 2014

Figure 56 - Utilities Employment in Thabazimbi LM, 2000-2014



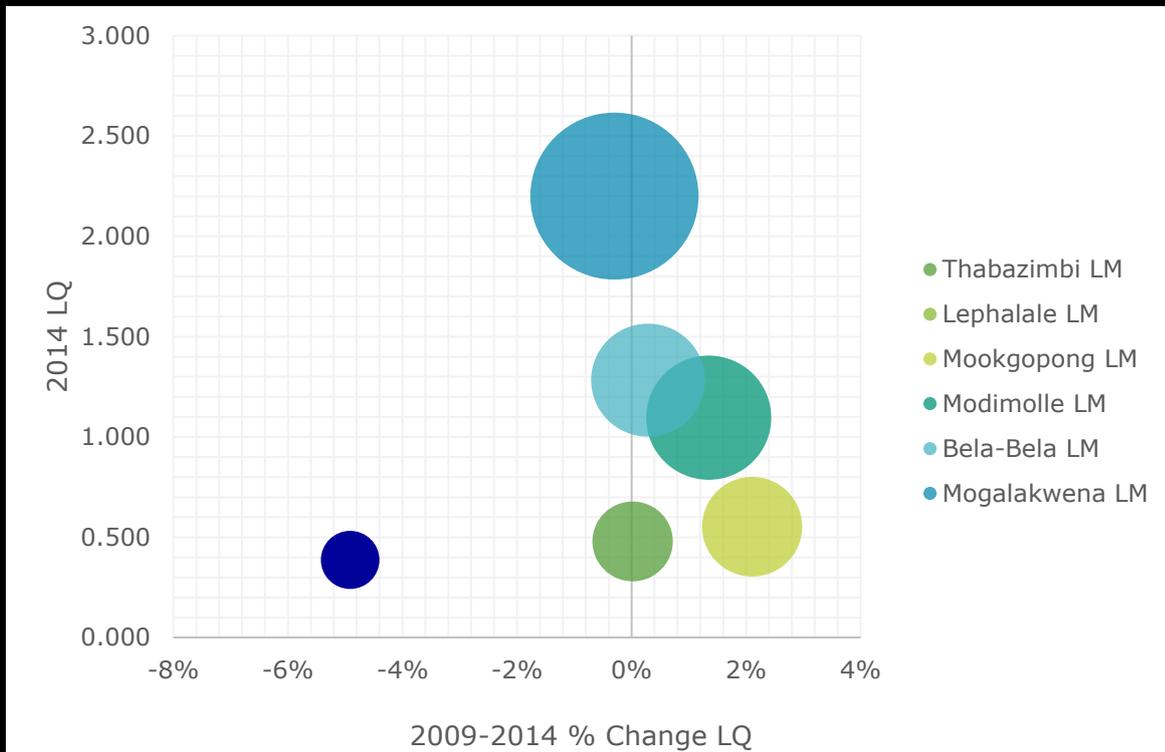
Source: Standard Regional Quantec Research, 2014

5.8.3.3 Location quotient

The LQ for the Thabazimbi LM for the finance sector is low and decreasing. This indicates that the local need in the Thabazimbi LM is not being met (See Figure 57).

The Thabazimbi LM also has no competitive advantage against the other local municipalities.

Figure 57 - Location Quotient of the Construction Sector per LM, 2013 (Production and Employment)



Source: Standard Regional Quantec Research, 2014 *ROC – Rate of change p.a. between 2007 and 2013

5.8.4 Manufacturing Sector

The **manufacturing sector** includes establishments engaged in the mechanical or chemical transformation of materials or substances into new products. These establishments are usually described as plants, factories, or mills and characteristically use power driven machines and materials handling equipment. Establishments engaged in assembling component parts of manufactured products are also considered manufacturing if the new product is neither a structure nor other fixed improvement. Also included is the blending of materials, such as lubricating oils, plastics resins or liquors.

The materials processed by manufacturing establishments include products of agriculture, forestry, fishing, mining, and quarrying as well as products of other manufacturing establishments. The new product of a manufacturing establishment may be finished in the sense that it is ready for utilisation or consumption, or it may be semi-finished to become a raw material for an establishment engaged in further manufacturing.

The materials used by manufacturing establishments may be purchased directly

from producers, obtained through customary trade channels, or secured without recourse to the market by transferring the product from one establishment to another which is under the same ownership. Manufacturing production is usually carried on for the wholesale market, for interplant transfer, or to order for industrial users, rather than for direct sale to the domestic consumer.

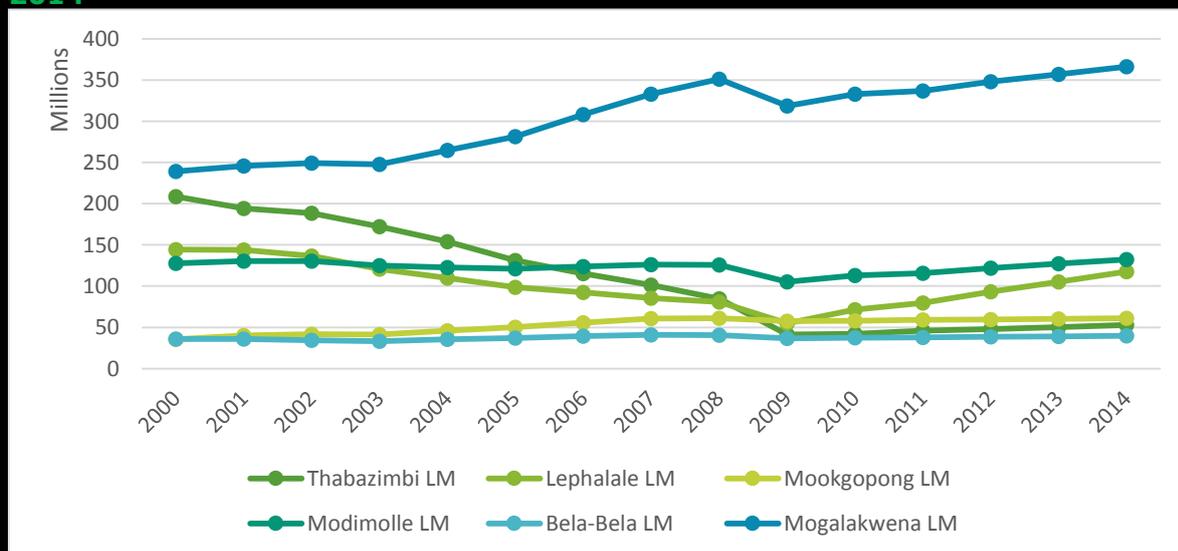
5.8.4.1 Production Output Levels

The Thabazimbi Local Municipality Output Levels (GVA) for manufacturing have seen a drastic decline over the last decade. GVA has dwindled from just over R208 million in 2000, to just over R41 million in 2009. The data has indicated a slight recovery over the past few years and the 2014 GVA is estimated at about R52 million (See Figure 58).

5.8.4.2 Employment Trends

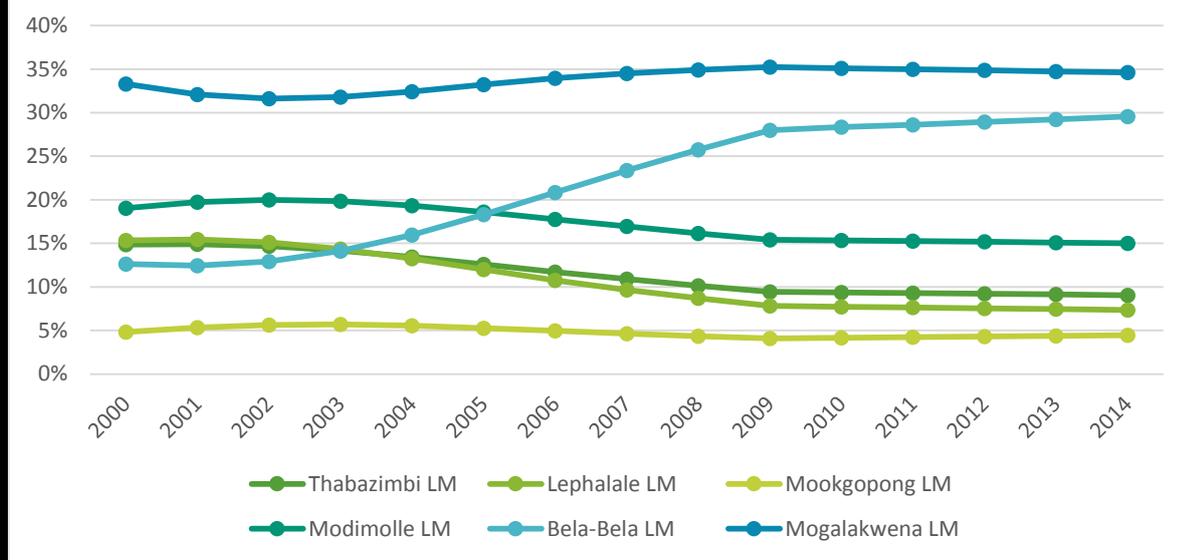
The manufacturing sector provides work for approximately 300 to 350 people in the Thabazimbi Local Municipality, which is equivalent to approximately 4% to 5% of employment for this sector in the Waterberg District Municipality (See Figure 59).

Figure 58 - Manufacturing Production Output (GVA) in Thabazimbi LM, 2000-2014



Source: Standard Regional Quantec Research, 2014

Figure 59 - Manufacturing Employment in Thabazimbi LM, 2000-2014



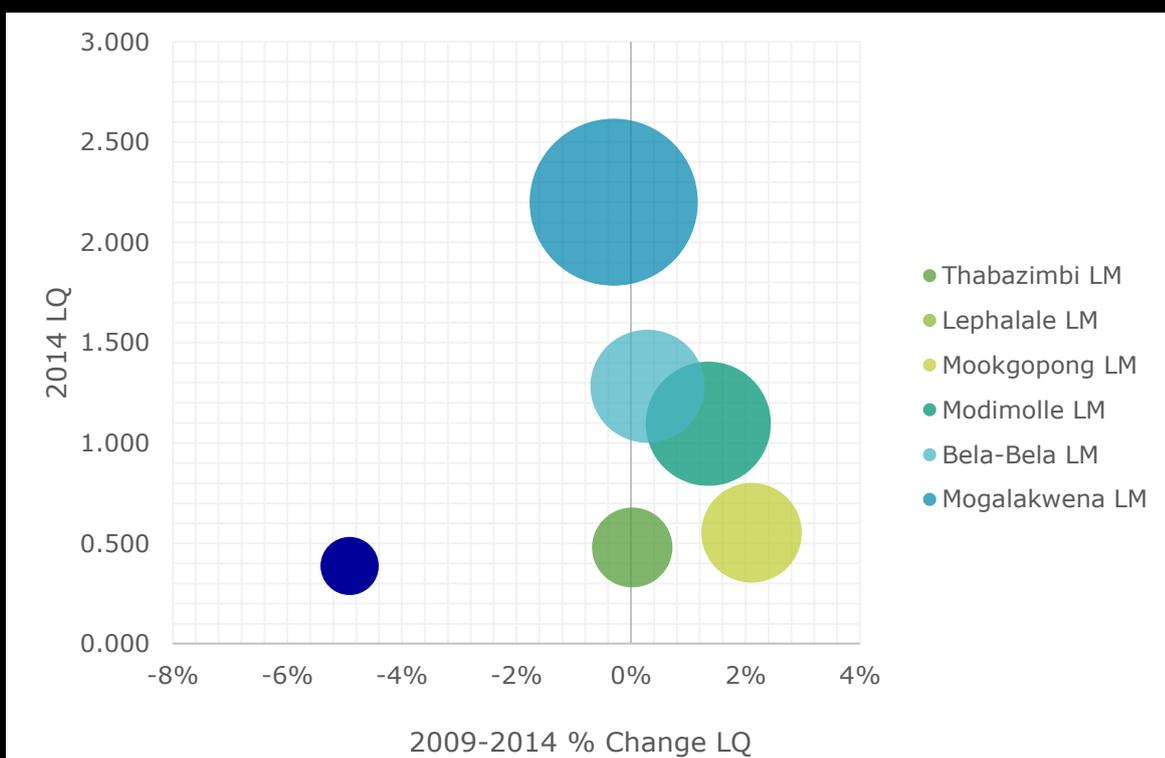
Source: Standard Regional Quantec Research, 2014

5.8.4.3 Location quotient

The LQ for the Thabazimbi LM for the finance sector is low and decreasing. This indicates that the local need in the Thabazimbi LM is not being met (see Figure 60).

The Thabazimbi LM also has no competitive advantage against the other local municipalities.

Figure 60 - Location Quotient of the Construction Sector per LM, 2013 (Production and Employment)



Source: Standard Regional Quantec Research, 2014 *ROC – Rate of change p.a. between 2007 and 2013

5.8.5 Development Potential

5.8.5.1 Potential Analysis

- Development and implementation of an alternative energy strategy that embraces wind, solar and all other viable sources of alternative energy.
- Pursue the manufacturing of biodiesel from plant oils and bio-ethanol from crops.
- Enhance manufacturing links with other sectors, such as agriculture, through processing of raw materials from the agriculture sector, as well as production of essential input materials for industrial processes.

SECTION 6: Economic Framework and Revised LED Strategy

6.1 Introduction

The previous sections analysed the policy context that mandates the Thabazimbi Local Municipality. The socio-economic section provides baseline needs and opportunities have been identified.

These needs and opportunities now have to be aligned with the Thabazimbi Local Municipality's vision, mission and objectives. Through this alignment, the key economic drivers or LED strategic pillars will be identified.

This chapter formulates the strategic framework that will guide the LED in the Thabazimbi Local Municipality and will serve as the point of alignment with the municipal IDP and the development policies presented in section two of this report.

6.2 Vision and Development Objectives

The Thabazimbi Local Municipality Integrated Development Plan of 2012/2013 indicate Thabazimbi LM's vision to be:

"To be the leading municipality offering quality services in the most economic, affordable, equitable and sustainable manner."

The Thabazimbi Local Municipality's mission is:

"To promote, co-ordinate, implement and ensure the financial and environmentally sustainable growth and development of Thabazimbi with a diversified and viable economy that provides an environment and services that benefit all"

Nine Strategic Objectives were identified:

1. Promote the well-being of all communities.
2. Ensure economic growth.
3. Enhance financial viability and accountability.
4. Resource manages infrastructure and services for access and mobility.
5. Forward Planning.
6. Promote community involvement.
7. Ensure effective communication.
8. Develop and implement integrated management and governance systems.
9. Attract, develop and retain human capital.

The Thabazimbi Local Municipality Integrated Development Plan of 2012/2013 provides LED objectives and strategies.

The LED objectives provided were:

- To ensure economic growth of 5% per annum
- To ensure unemployment reduction by 5% within 5 years
- To ensure capacity building for SMMEs and co-operative operations
- To promote tourism potential within the municipal area
- To promote the agriculture development within the municipal area

LED Strategies Identified were:

- Implement the LED plan
- Striking partnerships with stakeholders from Mining, Agriculture and Tourism
- Market and attract investment in the Local Municipality
- Provide support to the local economic sectors
- Marketing and branding of Thabazimbi LM economic potential
- Enhance the operation of the game farm
- Provide training and funding opportunities for SMME and co-operatives
- Establish the tourism centre
- Capacitate the local tourism associations
- Support the local tourism initiatives and activities

- Support the emerging farmers in accessing funds and other resources for development
- Participate in international, national and local tourism events
- Provide market stalls in the Thabazimbi town
- Develop the municipal brand image
- Co-ordinate economic clusters
- Provide support towards the LED initiatives
- Facilitate the LED forum / summit
- Coordinate the Thabazimbi LM expo and music festival
- Upgrade the existing tourism nodal points
- Provide sustainable trading facilities for hawkers

LED projects identified by the Thabazimbi Local Municipality are:

- SMME's and co-operative support
- Tourism development support and marketing
- Agricultural development and support
- Development of the Thabazimbi LM market stalls
- Develop branding image for the Thabazimbi LM
- LED coordination
- Coordinate the Thabazimbi LM Expo and Music Festival
- Establishment of Thabazimbi LM Learning Centre

6.3 Economic Drivers

Key economic drivers aimed at regenerating the Thabazimbi Local Municipality's economy can be formulated from the economic opportunities identified in the opportunity analysis. From a strategic development facilitation point of view, it is necessary to ensure that the appropriate linkages and interactions between programmes and projects must be established. Such an integrated approach is needed to ensure the optimal rate of implementation and economic development in the Thabazimbi Local Municipality.

An economic **driver** can be defined as "planned actions aimed at creating an

impetus and a critical mass in the local economic environment in order to generate momentum in the economy."

The following economic drivers are suggested for the Thabazimbi Local Municipality:

- Institutional Development
- Mining
- Agriculture
- Tourism
- Trade and SMME
- Transport

These economic drivers, along with their programmes and projects are discussed in further detail in the following sections. The projects have been divided into three main categories:

- **Public Projects:** Involve projects that are usually financed and built by government for the benefit of economic; social and security welfare issues of communities. Such projects include building of clinics/hospitals; schools; municipal buildings; roads; water supply; sanitation etc. They are long-term physical assets that enables development facilitation within communities.
- **Community Projects:** Consist of social and economic community projects that seek to address social ills of community challenges such as poverty; unemployment etc. They are small-scale projects that do not have any formality in terms of market access; infrastructure; management skills; financial resources etc. Their existence is of subsistence nature.
- **Commercial Projects:** Entail a formal legal entity that is taxable; intends to be a profit maximisation entity; have off-take agreements to supply external markets outside the community; apply for external funding; form different types of external partnerships and involves all the necessary resources such as human capital; formal structures and experienced management taking care of day-to-day running of the business.

6.3.1 Institutional Development

No organisation can function effectively and efficiently if proper organisational structures are not in place. These structures provide for a better communication environment that allows everyone's viewpoint to be heard without stepping on anyone's toes.

To ensure that Local Economic development can take place efficiently in Thabazimbi LM, it must be facilitated through a dedicated administration and bureaucracy. The LM's institutional structure must be configured in such a way that it supports LED and the whole institution should be geared towards integrated planning and implementation.

The core functions of municipalities in South Africa are prescribed by the legislative framework. This section aims to gear the LED directorate within the larger bureaucratic structure of the municipality for the implementation of the LED Strategy in a sustainable manner.

6.3.1.1 The LED Objectives of the LM

The LED objectives of the Thabazimbi LM can be described as follows:

1. To facilitate and promote employment creation and poverty alleviation among local communities.
2. To promote internal and external investment into the local economy that would promote the growth of existing businesses, as well as the establishment of new businesses.
3. To ensure that local entrepreneurs and SMMEs are provided with the necessary support to establish and grow their businesses.
4. To implement strategies, programmes and projects that would create an environment conducive to investment and business growth.
5. To engage and interact with potential private sector investors, with the help of the LED Forum, towards directing new investment to Thabazimbi LM.
6. To actively promote and market the local area to internal and external

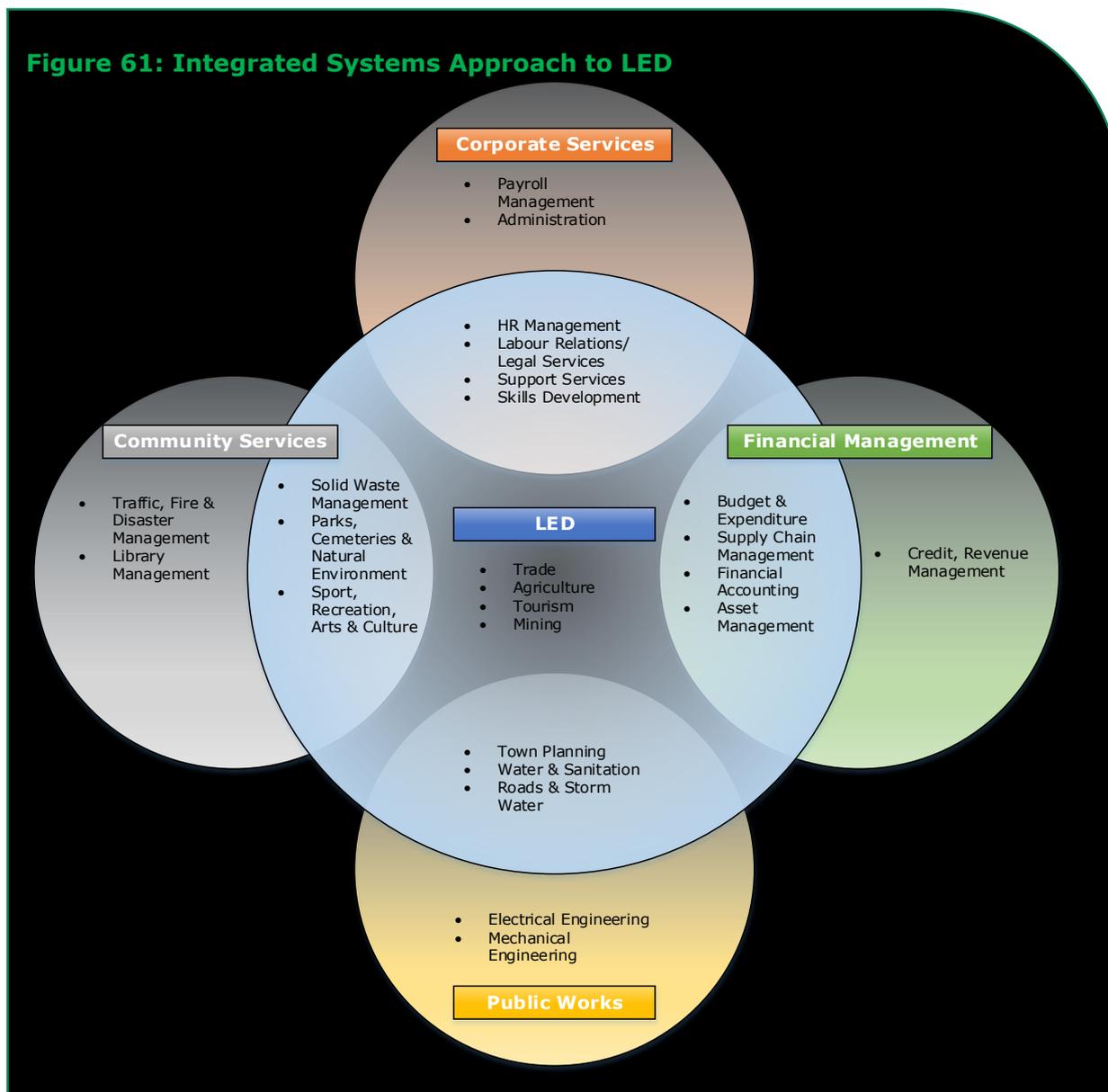
investors, in terms of local investment opportunities, planned infrastructure developments by the municipality and development by other private investors.

7. To investigate approaches to lowering the cost of doing business in the area, as well as possible investment incentives aimed at strategic location and economic sectors (such as mining, agriculture, tourism and trade).
8. To plan for, evaluate, manage and implement LED programmes as a coordinated effort between the units and directorates of the municipality in partnership with the LED forum, as well as other role-players.
9. To spearhead and drive community interaction, participation and buy-in of LED initiatives in local communities.
10. To act as the guardian of local people by ensuring that LED initiatives benefit them and that LED implementation occurs in such a way that labour intensive methods are applied.
11. To facilitate local access to and taking full advantage of LED and other development support programmes and funding sources provided by government, the private sector and other institutions (such as DTI programmes and venture capital).

6.3.1.2 Organisation and Integrated Systems

South African government institutions have come under increasing pressure to plan and act in an integrated, coordinate and efficient manner. It is important to realise that LED at municipal level requires an integrated systems approach with regard to management and the operations of the LED directorate. This implies that the LED functions of Thabazimbi LM cannot be constrained to only the LED Directorate, but that these functions must be planned for and implemented through an inter-directorate system. Integrated systems development in this context may imply that job descriptions are adjusted, patterns of work are changed, supervisory roles adapted and that specialisation in the

Figure 61: Integrated Systems Approach to LED



municipality are shared within new systems and teams in a more efficient manner. Figure 61 illustrates an integrated systems approach to LED.

6.3.1.3 Contracting and Consulting

Contracting, or the appointment of service providers who are specialists in a certain field, is a vital government mechanism to complete a short-term specialised task for which it would not be feasible to appoint permanent employees.

From an LED perspective, this is particularly relevant. Examples may include appointing service providers to conduct feasibility studies, develop business plans, drivers of specialised projects, marketing and advertising, business demand and supply

analysis, project implementation, project financing options, grant applications and so on. It would, for example, not be feasible for the Thabazimbi LM to employ a permanent member of staff with the necessary skills to develop a business plan for a bio-diesel production plant. In such scenarios, the municipality would outsource tasks to temporary contractors.

6.3.1.3.1 Internal Sub-contracting

Sub-contracting can occur both internally and externally in the LED context. Internal sub-contracting refers to a situation where the LM requires the assistance of a professional individual or company within the municipality. An example of internal

sub-contraction may include the appointment of a professional project manager to oversee the implementation of a LED project on behalf of the municipality. This is deemed more feasible than external contracting because the contractor must oversee the project on a daily basis from the municipality and would also have the responsibility to transfer these skills to municipal LED officials.

6.3.1.3.2 External Sub-contracting

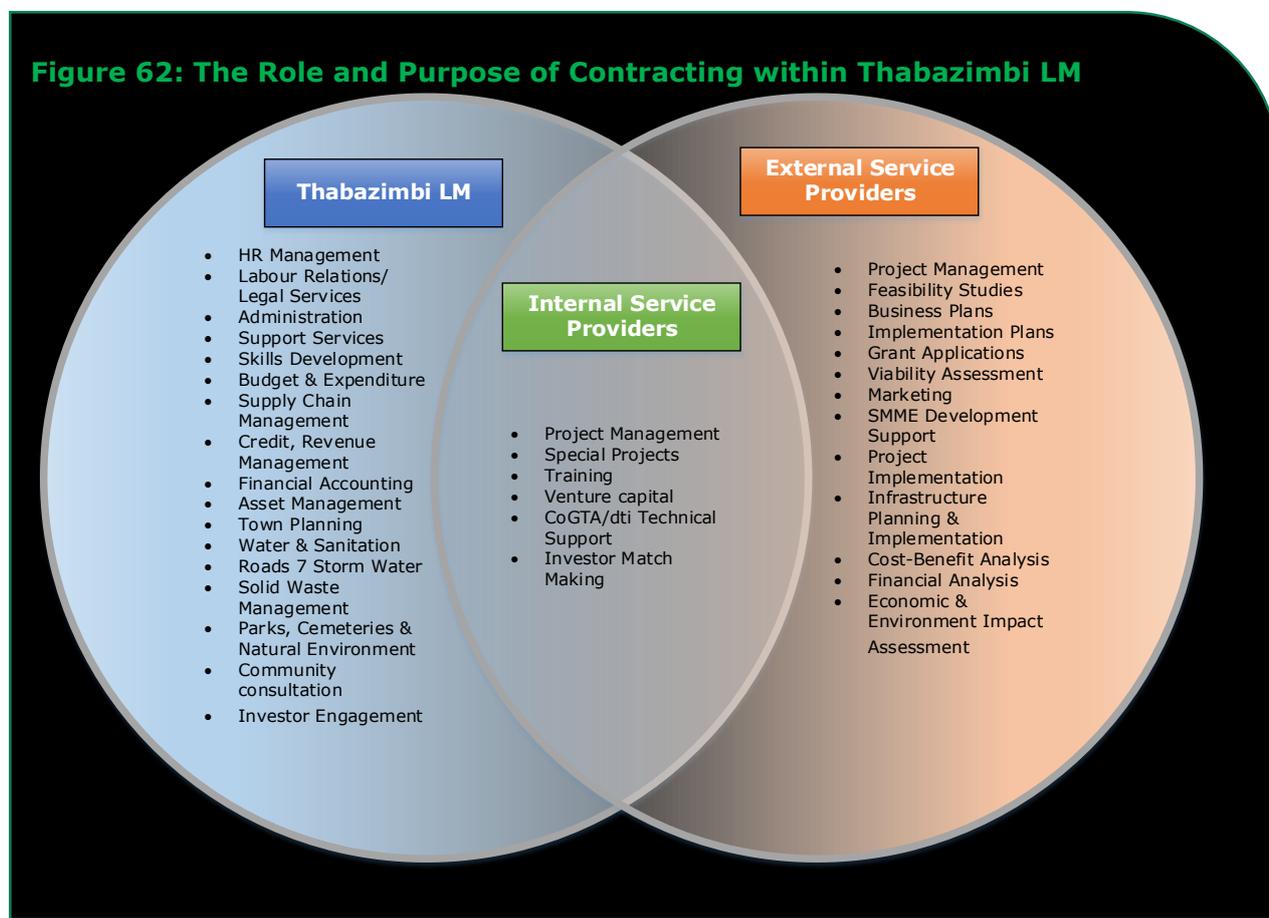
External sub-contracting occurs when a municipality appoints a contractor to complete a specific short term task on behalf of the municipality. In this scenario, the contractor would not be based in the municipality for the duration of the project and would develop the required deliverables independently. In practice, this implies that the contractor would do the work as prescribed by a terms of reference and report back to the municipality on a periodic basis. In the LED context, the Thabazimbi LM may, for example, appoint an external

contractor to develop a business plan for a cooperative hydroponics project in the area.

6.3.1.3.3 The Role and Purpose of Contracting

Contracting is an essential part of the LED planning and implementation process due to the multi-disciplinary nature of the subject matter. It is not feasible for the municipality to permanently appoint every conceivable professional in the LED field. On the other hand, the municipality is responsible for driving LED and cannot outsource all of these tasks. This implies that a balance must be reflected in the municipal organisational structure that recognises the management functions and responsibilities of the Thabazimbi LM while allowing the municipality to access short term specialised support when necessary. Figure 62 illustrates this concept.

Figure 62: The Role and Purpose of Contracting within Thabazimbi LM



6.3.1.4 Work Structure and Creativity

The management and work organisation of government in South Africa follow a bureaucratic structure. These structures are adapted according to function, available budgets and strategic planning. This implies that government aims to respond to political commitments and local challenges by adjusting their institutional structures accordingly.

Top down bureaucratic structure are not the only institutional form of organisation, but are mainly preferred by government for the following reasons:

- It provides for an easy administration system of managers and employees
- It provides for a clear division of labour, based on defined responsibilities.
- Management can easily adjust the structure according to budgets, mandates and strategic planning.
- It provides for the convenient transfer of responsibilities (or units) from one government institution or department to another.
- It provides for a legal framework in which employees work with clearly defined rules and task responsibilities.
- It provides for outcomes that are predictable and routine in the work place. In this context, responsibility and accountability for tasks can be assigned and monitored with little effort.
- It allows for the centralisation of management and decision-making authority.
- It allows for the specialisation of individual units within the broader structure.
- It allows for employees to perceive greater job security, predictability of their work and expected performance rewards. Employees can also perceive clear opportunities for promotion and training in a bureaucratic structure. This allows for the employee to build a long-term identity with the employer and reduced staff turnover.
- Most importantly, it allows for management to plan, organise, coordinate and direct employees.

Bureaucratic structures are, however, not perfect and criticised for curbing innovation and creativity by “boxing” employees or individual units in. Employees in bureaucratic structures are not typically encouraged to step outside the confines of their mandates, because such an action may subtract from the system’s benefits listed above (such employees may even be subjected to disciplinary action). Employees and individual units in such a structure also tend to be defensive of their role in the organisation and do not typically appreciate another employee or unit encroaching on what is perceived to be their “turf.” So, bureaucratic structures are similar to well-oiled machines that run smoothly to perform the specific task they were designed for, but do not perform optimally when required to be innovative and creative.

Innovation and creativity within bureaucratic structures can be achieved in two fundamental ways. This first relates to applying the organisation restructuring tools to the bureaucratic structure to change its desired outcomes. This approach is, however, not feasible in a practical sense because it would require management to assume all responsibility for innovation and creativity, while necessitating the structure to change frequently. The second approach is to create cross functional teams within the broader structure. This approach would require that managers cooperate and that inter-unit working relationships be clarified through the institution’s top-management (i.e. the office of the Municipal Manager in the Thabazimbi LM).

6.3.1.5 Networking and Role Player Interaction

Referring back to the definition of LED in Section 1 of this report, it is understood that LED is essentially a participatory approach between Local Government, civil society and business associations (see Figure 63). It is also these groups that are represented on the Thabazimbi LM LED forum.



6.3.1.5.1 The role of the Thabazimbi LM in LED

Although the LED Forum is a vital part of LED planning and implementation, the legislative mandate for overseeing this function remains with the municipality. Thabazimbi LM is thus responsible for leading LED in the area, while coordinating all other role players. Leadership in this context implies that the LED Directorate maintains quality networks through relationship building with local partners, based on shared understandings and actions. The LED Directorate must develop enabling relationships through interaction and negotiation with other role-players who can act as sources of information for the municipality and on whom Thabazimbi LM can depend on for specialised support. Apart from the LED Forum, it would also be very helpful if the municipality establishes a small management network between themselves and the leaders of local business and civic organisations.

Other common roles and responsibilities of the Thabazimbi LM related to LED include:

- Coordinate and manage LED planning within the LM
- Implement LED projects
- Source funding from government and private sector for the implementation of LED projects
- Build local capacity over the long-term as LED becomes embedded within the municipality's priorities

- Encourage and facilitate public participation in LED
- Promote inter-departmental collaboration
- Promote and organise PPPs
- Establish sector linkages
- Monitor and evaluate the implementation of the LED Strategy and specific LED projects

6.3.1.5.2 The Role of Business Associations in LED

The roles and responsibilities of local businesses and their associations with regard to LED are to:

- Interact with the LED Forum to identify win-win solutions
- Partner with the Local Municipality to seek joint solutions to challenges
- Partner with the LM to market the area as a favourable investment destination
- Implement private sector projects and partner with the municipality in PPPs
- Play a role in the municipality's effort to introduce new investors to the area by availing themselves of and introducing new investors to local business networks
- Clearly outline and present business constraints to expansion and employment creation. This should be communicated through the Forum to the municipality
- Employ people from local communities as far as possible and create opportunities for on-the-job training
- Participate in LED programmes launched by local government such as training and SMME mentorship
- Support entrepreneurs from local communities by providing advice and referrals to potential partnering and financing opportunities

6.3.1.5.3 The role of Civil Society in LED

Local residents must be fully involved in the LED process. For successful LED processes to become community driven:

- A community must have a core of local, capable and respected leaders who are

prepared to commit time and energy to LED. The active engagement of women and young people in the leadership group is essential.

- Community leaders need to have or acquire the necessary skills, knowledge and attitudes necessary to manage economic change
- Leaders must operate in a transparent manner and be accountable
- Leaders must be willing to report, listen to and ensure the support of the community
- Leaders should provide inspiration and participate in developing new layers of leadership
- The community must adopt a practical development agenda, which focuses on realistic and sustainable goals, long-term plans and achieving some small visible improvements by getting people involved
- The goals must be realistic and address the community's needs

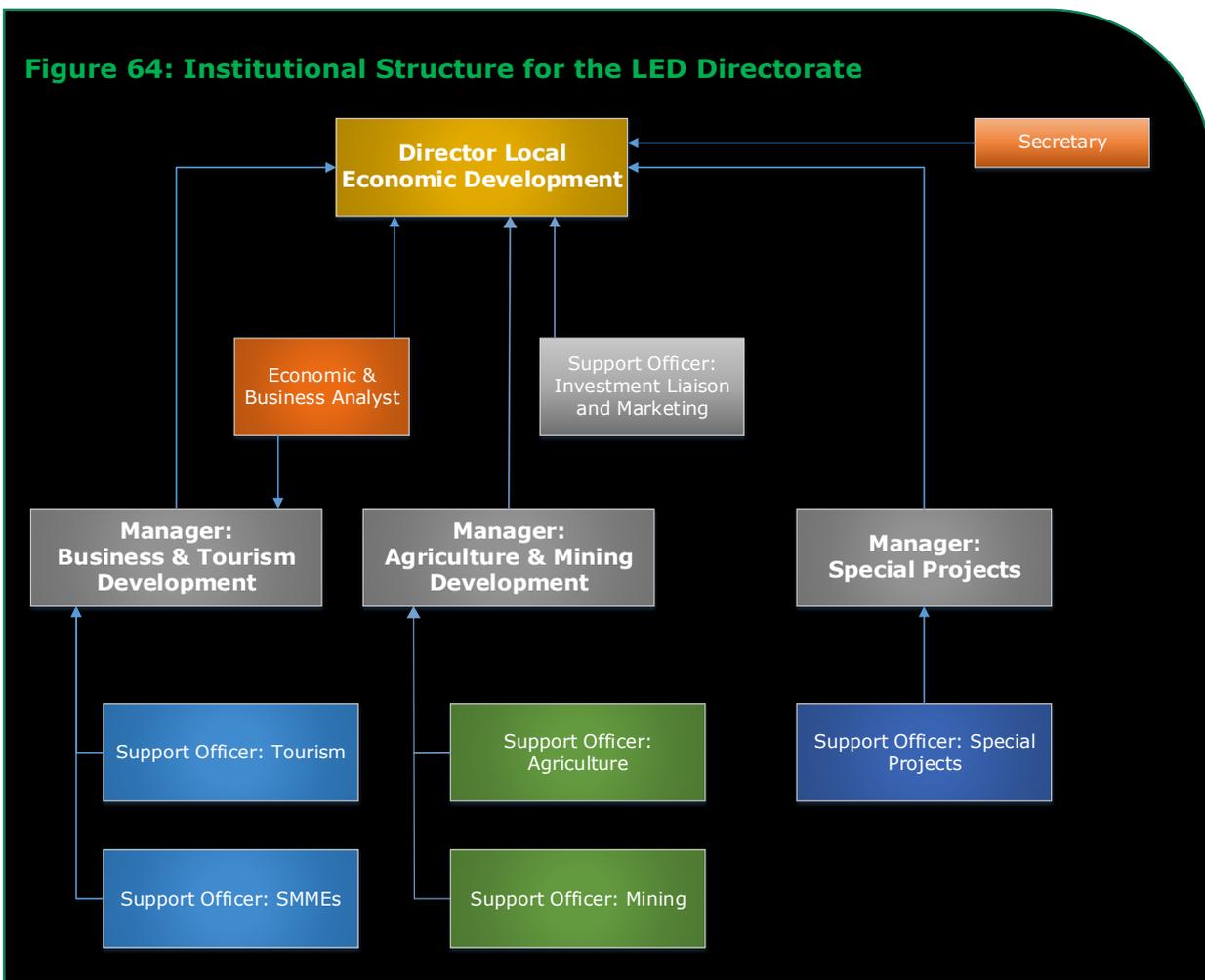
6.3.1.6 Institutional Recommendations

The LED Directorate

Figure 64 illustrates the recommended institutional structure for the LED Directorate, in line with the discussions in this section of the report. This structure is deemed to be more appropriate to drive and manage the LED functions of the Thabazimbi LM due to the following reasons:

- The structure aligns with the Economic Drivers of the LED Strategy and is therefore better geared towards implementation.
- The structure has been streamlined to promote cooperative planning and integration within the broader municipal structure.
- The structure makes provision for hands-on management backed up by the necessary support.

Figure 64: Institutional Structure for the LED Directorate



- The structure allows for clear and predictable performance monitoring of the LED Directorate, as well as the officials assigned to it.
- The structure allows for Investment Marketing which is seen as a vital part of the LED Strategy.
- The structure is organised in such a way that it allows for the monitoring of business growth and employment trends associated with the objectives of the LED Strategy.

Practical Application

One of the greatest restrictions to economic development in Thabazimbi LM is the current lack of a mechanism by which members of the community can gain funding for their proposed LED projects. The process for implementation of these LED projects is comprised of four main steps:

1. LED Project Identification.
2. Development of a Business Study and Potential Project Management.
3. Sourcing Funding.
4. Potential Funders Decision to Fund or Not.

At present, members of the Thabazimbi LM's community have many ideas for potential LED projects, but they have no efficient way to gain access to funding. The mines on the other hand, have money that they are willing to use to fund LED projects, but they lack an efficient way to learn about potential LED projects that they could fund.

In order to rectify this situation and lead to the initialisation of many new development projects, the municipality needs to develop a mechanism through which those with LED project ideas can meet with those who have funding and present their ideas so that they can get off the ground and become realities that will benefit the municipality.

One way to accomplish this is for the municipality to organise an annual meeting among investors and those with LED project ideas. This can be done through a platform

such as an investor forum, which can be developed using the following steps:

1. Invite investors, such as the mines.
2. Advertise the forum.
3. Promote the forum so those with potential LED projects will come.
4. TTA, local businesses and members of the community formulate and present Business Case Studies of their Projects that describe, for example how many jobs will be created by the LED Project, to the Investors at the Forum.
5. Investors discuss and decide which projects to fund.
6. Investors meet with LED projects chosen and discuss how to provide the funding.

The municipality also needs to meet with the mines beforehand so that together they can devise an appropriate method for deciding which LED projects to invest so that the process is fair and will only fund those projects that have the best chance of success and that will provide the most benefit to the Thabazimbi LM and its citizens.

6.3.2 Mining

6.3.2.1 Programmes and Projects:

6.3.2.1.1 Upgrades and Extensions

The mining cluster development has been indicated in the LEGDS (2004 - 2014) of the province. The mining development strategy indicated that the platinum cluster has already been approved for development. A brief description of the Platinum Group Metals Mining Cluster can be found below as indicated in the mining development strategy (2006:6):

Project: Existing and New Platinum Mines

The Thabazimbi LM is rich in minerals, such as iron, platinum and cement which have established local and international markets with stable demand. Large deposits of these resources remain unmined, so it has great opportunity for additional or expanded mining.

The further development of existing mines, along with the construction of new mines will provide much up-stream development potential. This up-stream development potential includes the establishment of local suppliers for mine purchases, as well as business to provide for the shopping needs of the work force.

Project: Down-stream activities

Down-stream activities refer to projects such as the smelter that has already been constructed in Polokwane, which has the potential for expansion. It also refers to the construction of a refinery that is envisaged in the future.

Improving the competitiveness of this PGM cluster will include the following public sector interventions:

Project: Upgrading Of Access Roads

The access roads leading to the mines are poorly maintained and as such, they make it difficult for the mines to move their products to market. The roads need to be

upgraded, meaning repaved, expanded and strengthened to allow easier access for the mines and to lessen the cost of the damage being caused to the vehicles that currently have to use the poor roads.

Project: Water Source Development

One of the main hindrances to mining beneficiation is the lack of available water sources. Mining beneficiation is water intensive so in order for it to become a viable opportunity for the citizens of the Thabazimbi LM to pursue, water sources need to be developed that will be able to provide enough water for the beneficiation processes.

Project: Education And Skills Development with specific reference to the mining sector

The in-town training courses can be expanded and offered at a higher education level to include the development of skills that will make members of the community more employable within mining support services. For example courses could be offered for fitter and turners, masonry skills, boiler makers, sheet metal workers, welders and truck driving. The knowledge spill overs from mining into the other sectors will benefit the economy as a whole.

Project: Improved Service Delivery for Residential Development around the Mines.

The mining cluster value chain is described in the Waterberg Mining development strategy (2006), and reflects various stages of value adding in this process. The benefit of this approach is a better understanding of the mining process as well as the identification of new development opportunities. The cluster value chain process includes the following processes:

- Mine initiation activities.
- Mineral extraction.
- Mineral beneficiation.

Each of the above processes could include various projects to obtain the desired objectives of each initiative.

Project: Local Buying

The mining sector has many leakages that can be reduced by encouraging local buying. For instance, the majority of mining supplies are bought from neighbouring provinces instead of locally. Businesses around the necessary supplies of the mines can be started by the citizens of the Thabazimbi LM and mines should be encouraged to utilise supplies from these instead of buying from outside the municipality.

Projects: Value-Adding to Raw Materials that are mined in Thabazimbi LM (Beneficiation)

Rather than transporting products in raw format from Thabazimbi LM to be utilised in the manufacturing of other products, raw materials can be beneficiated locally to produce value-added products:

- Jewellery.
- Garden tiles, furniture, décor.
- Building and construction material.
- Platinum plating.
- Dental alloys.
- Laboratory products: Platinum wire, platinum pans and supports.

Beneficiation will also create many employment opportunities in the community such as through the manufacturing of concrete and steel building materials and steelworks and catalytic converters components.

Project: Implementation of the Mining Charter

The Mining Charter and other requirements upon the industry hold prospect of co-operative effort in leveraging greater local economic development benefit into the local community of the Thabazimbi LM. A key LED initiative is that these requirements are implemented in a structured and orderly way in order to serve informed rather than ad hoc and disjoint objectives.

The following are important in the Thabazimbi LM from the viewpoint of

enhancing the local benefit stream from the mining sector:

- Improving where possible the competitiveness of available local labour for employment in the local mining industry.
- Replacing over time and where possible single labour migrants into the Thabazimbi LM with bona fide local residents who have a stake in the local community.
- Integration of the mine labour force into the fabric of local communities.
- Leveraging greater secondary socio-economic benefit from local mining into the local Thabazimbi LM community.

6.3.2.1.2 Northam Industrial and Warehousing Park

The Thabazimbi LM Transnet office will be relocated to Grootegeeluk in 2018. This is due to the coal trains from Lephalale utilising the new Vaalwater – Modimolle line, leaving only the weekly iron ore train on the Thabazimbi – Northam line.

From an infrastructural point of view, both Thabazimbi and Northam stations will be underutilised. The line itself provides access for products to be moved into and out of the area, whereas the stations themselves have excellent electricity supply.

An alternative use for these underutilised resources should be to build an Industrial and Warehousing Park, with a key focus on the mining sector.

Project: Convert the Northam Station into an Industrial and Warehousing Park

Northam station's proximity to the current mining operations make it the ideal option for the establishment of an industrial and warehousing park.

The Northam Industrial and Warehousing Park will focus on three main products and service areas:

- Mining Product Wholesale and Warehousing.

- Mining beneficiation and other manufacturing operations.
- Transport, including rail and road.

The key to success for this project would be to place the emphasis on delivery to the mining sector. The Northam Industrial and Warehouse Park will provide three main benefits to the mining sector in Thabazimbi LM:

- Decreasing time delays for supplies.
- Decreasing transport cost.
- Increase convenience.

To the Thabazimbi Local Municipality, it will provide the following advantages:

- It utilises infrastructure that is already in existence. The cost of creating the Northam Industrial and Warehouse Park, will therefore be lower than if it had to be created from scratch.
- Extending the mining value chain in the Thabazimbi LM.
- Tax income benefits
- Reduction on road wear and tear and therefore road maintenance.

Two projects that could form part of the Northam Industrial and Warehousing Park, or which could be standalone LED projects are Wholesale and Warehousing and the catalytic converter component manufacturing plant. These two projects will be discussed further below:

Wholesale and Warehousing

Industrial and Warehousing Park will focus on encouraging businesses that supply the mining sector to make use of the wholesale and warehousing facilities. These could include products that are procured by the mines, but that is not necessarily items that they would want to stock or stock in large numbers. These could include products such as:

- Stationary and office supplies.
- Backfill bags and hydraulic props.
- Lighting and signalling products.
- Industrial batteries, starters, alternators and clutches.

- PPE and overalls.

Catalytic Converter Component Manufacturing Plant

The development of a catalytic converter component manufacturing plant, located in the immediate vicinity of Mortimer or Northam is proposed. It is projected that specialised catalytic converter components be manufactured that focuses on the manufacturing of both commercial and industrial vehicles.

A catalyst is a device that converts three harmful compounds in car exhaust into harmless compounds. It is located in the exhaust system and has an outer shell made of stainless steel. Catalytic converters contain a catalyst made from a noble metal such as platinum, palladium or rhodium.

The project is the establishment of the catalytic converter component manufacturing plant that will be situated within the Thabazimbi Local Municipality. The facilitation role of the Thabazimbi LM in the identification, lobbying and establishment of the plant is critically important.

Northam, within the Thabazimbi LM, provides a favourable location for the development of the mentioned facility. This location also provides the opportunity to transport the final goods to the other main automotive areas within South Africa i.e. Rosslyn in the Gauteng Province. It should be taken into account that the railway line is operating between the Thabazimbi LM and Gauteng, as well as to the harbour at Richards Bay. The proximity of the mines in the region is another favourable factor that suits a development of this nature.

The main barriers, which can be experienced during the implementation of the process, can be summarised under the three headings namely:

- Shortage of capital.
- Shortage of skilled labour.

-
- The pace at which technological change is taking place.

Apart from the barriers, the opportunities which will be created in the local economy through the implementation of the project are enormous. Some of the opportunities include the creation of local employment opportunities as well as the facilitation of the transfer of technology and skills to the region.

The implementation of this project in the local economy will benefit the region through the fact that the attraction and securing of manufacturing contracts in the converter field in the after-market and the OEM market. The establishment of this manufacturer will pave the way for the establishment of numerous SMMEs which is aligned with both the national and provincial governments' objectives.

6.3.2.1.3 Manage Mining Impacts

Management of the optimal use of extensive mine property surplus to present requirements for ventures that can create opportunity, jobs and incomes for the local community. These could involve ecotourism and ecological education on the land areas under conservation as such activities would most closely accord with the proposed economic driver of Thabazimbi LM towards increasing emphasis in the ecotourism sector. Overt commitment to conservation and ecological responsibility would also extend to the benefit of the image of the local mining sector in the Thabazimbi LM. Suggestions already advanced in regard to the employment of mine property for smaller-scale development projects include the following:

Project: Reed and grass production and harvesting

Reed and grass production and harvesting can be done as part of mine waste rehabilitation.

Project: Catfish production

As part of water systems rehabilitation, the production of catfish should be looked into by the local community. The catfish production will not only help to rehabilitate the water systems affected by mining processes, but will as aid in the nutritional improvement of local disadvantaged communities living in informal settlements close to mine properties.

Project: Pomegranate and vegetable juice production

As part of mine waste rehabilitation and use of underutilised land, the municipality should promote the development of juice production from sources such as pomegranate and vegetables. Both types of juice will do very well in the market as they are healthier alternatives to over-sugary fruit juices and the production of the juice itself will provide much needed employment to the Thabazimbi LM's community.

Project: Bio-diesel production and production of animal feed and fertiliser

Animal feed and fertiliser can be produced from the husks of crushed bio-diesel seed as part of mine waste rehabilitation and intercropping with bean and other hardy food crops in association with bio-diesel production.

Project: Earthworm farming

As part of rehabilitation of land, Thabazimbi LM can also look into earthworm farming as a community project. Earthworm farms are easy to start and maintain. The worms will revitalise the soil and help it become suitable for agricultural use again after mining has taken place.

Project: Production of dimension stone and sand

Where geology is suitable, the Thabazimbi LM should look into the production of dimension stone and sand. Transportation costs however currently militate against the feasibility of using such material other than

for projects in the vicinity of the mine properties involved.

Project: Support of Mining as the Key Employer in the Thabazimbi LM Area, including water, roads, effluent disposal and sewerage and electricity

In order for mining, as the key employer in the Thabazimbi LM, to provide the most benefit to those who depend on it for survival, it needs to be fully supported in every way by the municipality. The workers of the mines require access to water, proper waste disposal services, sewerage services, electricity and accessible, well maintained roads in order to live properly.

Project: Joint determination of social development priorities and joint social development planning

Particularly where private sector social responsibility is concerned, this is most often driven by a range of parochial priorities and concerns rather than by communitywide imperatives and priorities. This can result in the loss of development synergy and the diffusion of significant development effort that otherwise could be jointly employed in pursuit of key socio-economic drivers and priorities in the local community. Social development planning of the local industry generally is not integrated and mutually supportive of community goals, objectives and imperatives

Project: Management of the pollution risk of mining

The risk that mining pollution poses to public health and to surface and groundwater resources must be determined and managed with effective public oversight. The sustained supply of groundwater is already regarded as problematic in the Thabazimbi LM area and thus the impact that underground mining has had on local groundwater resources should be carefully examined so that it can be rectified as swiftly as possible.

6.3.2.1.4 Management of the impact of mine labour practices on the local host community which will include:

Project: The adoption of an explicit local Mining Sector Labour Plan

This plan should be in support, in effect, of a Local Mining Sector Charter by the local mining sector reflecting:

- Projected skills and labour requirements.
- A local mining sector skills development plan informed by projected sectoral requirements.
- An explicit preferential local recruitment policy applying to the sector, its contractors and labour brokers operating for or on behalf of the sector and its contractors.
- The effective pooling of capacity-building resources in order to enable them to be more effectively managed and directed or, at least, to enable greater co-ordination in the design and implementation of social development interventions.
- Effective local public oversight over the local performance of the sector.

Project: An inclusive standing Mining Sector Cluster Forum

Established for the Thabazimbi LM that is representative of all key stakeholders and/or stakeholder collectives including primary mineral producers, contractors labour brokers, the Thabazimbi LM Chamber of Commerce and other relevant cluster collectives representing the interests of local suppliers, Eskom, the Department of Water Affairs and Forestry, and local and provincial government. The purpose of such a forum would be to:

- Represent industry- and cluster-wide interests.
- Develop industry- and cluster-wide perspectives on planning and implementation.

- To carry out specific joint industry-wide tasks related to the management of the cluster in the Thabazimbi LM and in particular to the management of its interface with the different industries.

6.3.2.1.5 Logistics/Supply Chain Activities

Management of the impact of the mining sector logistics/supply chain activities on the local economy including:

Project: The establishment of local Sector Linkage Points for:

- The local publication of tenders.
- Other purchasing.
- Independent tender advice and assistance.

Project: Capacity development of the local supplier base

Capacity development is the process by which individuals, groups, organisations, institutions and societies increase their abilities to perform core functions, solve problems, define and achieve objectives as well as understand and deal with their development needs in a broader context and in a sustainable manner. So, in order for the local supplier base to become a force within the Thabazimbi LM, it needs to be built up with the focus being on capacity building so that it can properly service the needs of those within the community who require those supplies.

Project: The adoption of an explicit preferential Mining Sector Local Procurement Plan

The adoption of an explicit preferential Mining Sector Local Procurement Plan will greatly benefit Thabazimbi LM and its citizens. The objective of the plan should be to enable access to local businesses to supply chain opportunities that arise from the presence of mining projects and operations. This plan should apply to the mining sector as well as to contractors and labour brokers operating for or on behalf of the sector and its contractors.

6.3.2.2 Current LED projects

There are currently no Mining and Mining Beneficiation LED projects in the Thabazimbi Local Municipality.

6.3.2.3 Potential Game Changers

A game changer is an event, idea or procedure that effects a significant shift in the current way of doing or thinking about something. In terms of the mining sector, a game changer is a development opportunity that has the potential to push the development of the sector forward in the best possible positive direction. The following development opportunities have been identified as potential game changers for the mining sector.

Mining Tourism – One of the best development opportunities for the mining sector is to combine mining with tourism. The old mines that are no longer functioning can be utilised for the purpose of such tourism activities as mine education tours. Some of the old mines, if they are still stable and in relatively good locations, could even be converted into restaurants that could serve as novelty attractions to tourists. Implementing projects in this vein will allow these old mines to become productive pieces of society again and will bring in more income to the municipality along with more tourists, which will benefit other local tourist attractions and businesses such as lodges and guest houses.

Mineral Beneficiation – At present, as previously stated, the majority of raw materials found in the Thabazimbi LM leave the municipality without any value addition whatsoever. In order to stem this leakage and add to the development and diversification of the mining industry, the mines should focus on aiding the development of local businesses that will perform beneficiation of the minerals mined within Thabazimbi LM, thus keeping more of the profit from the mining within the local community instead of reaping only the bare minimum from the unprocessed raw

minerals. Doing this will serve to boost both the mining and the small business industries, thus making local mineral beneficiation a game changer of great significance for the economy of the Thabazimbi LM.

Local Procurement Plan – As previously stated, the development and adoption of a Mining Sector Local Procurement Plan will benefit the development of the Thabazimbi LM community with regard to the mining sector. A Local Procurement Plan plays a key role in developing thriving and healthy communities as it takes advantage of the businesses that are present in local communities and helps to start new businesses as the community works to satisfy the supply needs of the mines. The plan also creates efficiency in the mining supply chain as the mines no longer have to go outside of the municipality in order to get the supplies they require to maintain their operations. This allows the mines to be more efficient with their spending, thus saving money which they can put back in to the local community through the funding of development projects for instance. The Local Procurement Plan will also ensure reliable access to critical supplies for the mines. Some of the mines supplies may be needed on short notice and if the mines have to look outside the municipality in order to get those supplies then they may not be able to get them in the amount of time they require to lessen the downtime that results due to the lack of the supplies. Therefore, being able to source those critical supplies from the local community will lessen the downtime and subsequent losses faced by the mines that will in turn allow the mines to make more profit which they can then funnel into the community through additional funding of development projects.

6.3.2.4 Funding and Support

Various programmes and organisations exist that provide funding within the

Mining Sector. Below is a list of these organisations and their key objectives:

Corridor Mining Resources

Corridor Mining Resources is a diversified mining resources company, wholly owned by the Limpopo Economic Development Agency (LEDA). CMR boast a diverse commodity portfolio which includes but are not limited to PGM's, Chrome, Gold, Magnetite and Bentonite. CMR's mandate is to promote economic development directly or indirectly through:

- Mining by optimising the development of mineral resources, driving economic growth.
- Creating job opportunities and promoting sustainable empowerment in mining.

Limpopo Business Support Agency

Central to the mandate of LIBSA, it is its role to promote enterprises in the sectors of mining, tourism, agriculture, manufacturing and construction and information communication technology into the mainstream economy. LIBSA co-ordinates and implements innovative business support programmes through:

- Co-operatives development and support.
- Business incubation.
- Business information dissemination.
- Business advisory services.
- Capacity development programmes.

Limpopo Economic Development Agency

LEDA is a social and economic development enterprise, operating within the Limpopo province. As such, LEDA delivers the following key services to its constituency:

- Enterprise development.
- Housing finance and assistance.
- Mining.
- Public transport.
- Investments and other projects.

Manufacturing Investment Programme (dti)

To encourage local and foreign capital investment in productive qualifying assets (plant and machinery, land and buildings (owned or rented), commercial vehicles).

Foreign Investment Grant (dti)

To encourage foreign businesses to invest in manufacturing companies by assisting in the cost of transporting productive qualifying assets to South Africa.

Industrial Policy Projects (dti)

The tax incentive is intended to promote local and foreign direct investment in industrial policy projects in South Africa and is legislated in terms of section 12I of the Income Tax Act.

IDC Mining and Beneficiation Financing

IDC Mining Assistance and Beneficiation Financing provides assistance for small and medium-sized mining and beneficiation activities and jewellery manufacturing.

Platinum Group Metals Development Fund

The PGM Development Fund is a private equity fund established to provide capital for further PGM market development and beneficiation, particularly in Southern Africa.

IDC Metal, Transport and Machinery Products Strategic Business Unit

The IDC Metal, Transport and Machinery Products Strategic Business Unit offers funding and industry and project development support to ferrous and non-ferrous metal-based manufacturing businesses.

Anglo American Sefa Mining Fund

The Anglo American Sefa Mining Fund is a joint initiative between our South African operations and SEFA formerly known as Khula Enterprise Finance Limited, a government owned entity that promotes

SME development. The fund helps grow emerging black empowered mining companies into commercially bankable enterprises.

Nedgroup Investments Mining and Resources Fund

The Nedgroup Investments Mining and Resources Fund is a specialist equity unit trust portfolio that seeks to offer investors long-term capital growth by actively investing in the mining and resources sector of the market.

IDC Gro-E Scheme

Under the scheme, the IDC offers financial support to start-up businesses, comprising funding for buildings, equipment and working capital, which involves the mining value chain, including downstream mineral beneficiation, mining and mining technologies.

Anglo American Community Fund and Small Business Hub

The Community Fund works hand in glove with a network of Small Business Hubs, which are staffed and financed by Anglo American's platinum, thermal coal, iron ore and diamond businesses and are located in their respective areas of operation.

Manufacturing Competitiveness Enhancement Programme (MCEP)

MCEP is one of the key action programmes of the Industrial Policy Action Plan (IPAP) 2012/13 – 2014/15 and will provide enhanced manufacturing support aimed at encouraging manufacturers to upgrade their production facilities in a manner that sustains employment and maximises value-addition in the short to medium term.

The MCEP comprises two sub-programmes:

1. The Production Incentive (PI).
2. The Industrial Financing Loan Facilities which will be managed by the dti and the

Industrial Development Corporation respectively.

Local Government Support Fund

The fund supports local government to create an enabling environment for local economic development. Non-Governmental Organisations (NGOs) partnering with local government can apply for funds in the following areas:

- Local consultation exercise.
- Research.
- Technical assistance.
- Training.
- Study tours.
- Limited capital equipment.
- Project management tools.

Expanded Public Works Programme

The programme is a key government initiative, which contributes to Governments Policy Priorities in terms of decent work and sustainable livelihoods, education, health, rural development, food security, land reform and the fight against crime and corruption. EPWP subscribes to outcome four which states "*Decent employment through inclusive economic growth.*"

Table 27: Mining Programmes and Projects

Programme	Projects		
	Public	Community	Commercial
Upgrades and Extensions	<ul style="list-style-type: none"> Upgrade road access Water source development Education and skills development Improved service delivery for residential development around mines Encouraging local buying Implementation of the Mining Charter 		<ul style="list-style-type: none"> Existing and new Platinum mines Down-stream activities Mining of unexploited mineral deposits Value adding to raw materials mined in Thabazimbi through local beneficiation
Northam Industrial and Warehousing Park			<ul style="list-style-type: none"> Convert Northam station into an Industrial and Warehousing Park Wholesale and Warehousing Catalytic Converter Component Manufacturing Plant
Manage Mining Impacts	<ul style="list-style-type: none"> Support Mining as key employer in Thabazimbi Joint determination of social development priorities and joint social development planning Management of pollution risk of mining to public health and to surface and groundwater resources with effective public oversight 	<ul style="list-style-type: none"> Reed and grass production and harvesting Catfish production Earthworm farming 	<ul style="list-style-type: none"> Pomegranate and vegetable juice production Bio-diesel production, production of animal feed and fertilizer Production of dimension stone and sand
Management of Impact of Mine Labour Practices on Local Host Community	<ul style="list-style-type: none"> Adoption of explicit Local Mining Sector Labour Plan Establish an inclusive standing Mining Sector Cluster Forum 		
Logistics/Supply Chain Activities	<ul style="list-style-type: none"> Establishment of a Local Sector Linkage Points Capacity development of local supplier base Adoption of an explicit preferential Mining Sector Local Procurement Plan 		
Game Changers	<ul style="list-style-type: none"> Local Procurement Plan 		<ul style="list-style-type: none"> Mineral beneficiation Mining Tourism Utilizing existing structures

Source: Urban- Econ In-House Data

6.3.3 Agriculture

6.3.3.1 Programmes and Projects

In line with the Thabazimbi Agricultural Strategy 2012, for the Thabazimbi Local Municipality the following subsectors have been identified to promote agricultural development in the municipality which includes among others, the livestock sector, the horticultural sector, the industrial crops sector, the grain crops sector, the game and eco-tourism sector and the cross cutting issues sector.

6.3.3.1.1 The Livestock Subsector

Project: Beef cattle production in feedlots

Weaners produced in Thabazimbi LM are currently sold outside the local municipality to downstream feedlots and other processing options. These lost gains for the municipality can be reversed by developing own dedicated feedlots, developing niche markets for organically produced beef and pasture fed beef.

Project: Extensive cattle production (cattle ranches)

Most of the Municipality's area lies in the semi-arid conditions with bushveld vegetation. Although pasture score drops significantly in the dry seasons, most of the land is suitable for extensive cattle ranching. This characteristic of the land enables sustainability of the farming enterprise.

Project: Intensive pork production

Pig production under intensive systems can be a profitable venture for farmers considering the general increase in population and meat products consumption. Development of pork value chains will create jobs for the locals while at the same time improving their socio-economic wellbeing.

Project: Intensive poultry production

Consumption of chicken meat has been rising for the past decade, an attribute of

rising incomes and increasing population. In some cases the country imports chicken meat in order to meet its domestic requirements. Through the establishment of white meat clusters through the Integrated Poultry Programme as one of the strategic interventions of the province, Thabazimbi Local Municipality has to take full advantage of this.

Project: Improving animal productivity

Improving animal productivity will be focused on three strategic elements which are, animal breeding, animal feeding and nutrition and accessibility and availability of experienced livestock extension officers. Animal productivity will be improved through improving animal breeds, animal feeds and regulation, development of pastures and forages as well as capacitating livestock extension services and improving support on animal research and improvement activities within the Municipality.

South Africa has got a broad genetic pool for most livestock and where there is need, the importation of genetic material is allowed although regulated. Through this, the Municipality should take the pole position to make sure that genetic material is available and accessible to local farmers cost effectively. Furthermore initiatives such as artificial insemination should also be supported in collaboration with DAFF and Veterinary services.

Improvement in animal feeds and regulation is key component of improved animal productivity. For intensively reared animals feeds account for 65-80% of the production costs. Without proper regulation mechanism of feed content, farmers are bound to lose through bogus animal feed dealers. This could be through insufficient nutrient components of the feeds that results in stunted animal growth or failure of meat quality in the market. For extensively reared animals, development of

communal and private pastures and forage should be encouraged.

However, all these noble intentions depend on the finances available to the farmers. For most smallholder farmers breeding material and feeds are beyond their reach.

Project: Sensitizing national programs

Most farmers have little or no knowledge of national agricultural programs which they could fully utilise to improve their livestock productivity. Programmes such as the Presidential Bull loan and the IPP to name a few will enable farmers to get improved animal breeds. This strategic intervention could be strengthened and improved through collaboration with DAFF.

Project: Improving animal health and quality services

Through collaboration with the DAFF the livestock section and the veterinary section, the Local Municipality could help prevent livestock diseases and their spreading. Unnecessary loss of livestock through diseases and pests will be abated. Animal movement should be monitored to avoid indiscriminate spread of diseases to healthy stock.

Project Improving market access for farmers

This intervention seeks to develop an additional abattoir in the Municipality that will cater for increased livestock throughput.

Currently the municipality has only one functional abattoir with a capacity of 80 units per day. The nearest abattoirs are approximately 130 kilometres away.

Project: Establishing animal disease control and prevention posts

This strategic intervention will result in creation of some animal disease control and prevention posts along the main high way that links the country with border countries where inspection of animal and animal

products in transit can be done and certain penalties enforced to transgressors.

Project: Encourage communal farmers to participate in commercial agriculture

Communal farmers boast a big percentage of the cattle in the Thabazimbi LM, however, these cattle are not a part of the commercial cattle farming. In order to help boost the agricultural sector, communal farmers need to be encouraged and supported in becoming a part of commercial agriculture.

Project: Production and packaging of game meat

Consumers worldwide are becoming more health conscious and as a result of this are more receptive to healthier alternatives to red meat, such as game. Thus, by producing and packaging game meat to sell, the Thabazimbi LM will generate foreign currency and stimulate other economic activities in the Thabazimbi LM, such as game farming.

Project: Educate small-scale farmers on the dangers of indiscriminate animal breeding

Small-scale farmers, especially communal farmers, are not careful as to how their cattle breed. This indiscriminate breeding results in calves and herds that are not of high grade quality that reduces their profitability if brought to the market. Small farmers should be educated on how to properly breed their herds so as to gain the most benefit from them commercially.

6.3.3.1.2 Horticulture

Project: Strengthening and capacitating extension services to farmers

The central government must play a crucial role in training and retaining experienced extension staff. This will ultimately result in sustained horticultural sector. The horticultural subsector contributes immensely in the employment of unskilled farm labour.

Project: Strengthening and capacitating institutions

The Local Municipality has to come up with clear rules pertaining to agricultural pollution and clear enforcement mechanism. Pollution incentives and penalties especially where there is a lot of mining activities will result in positive agricultural productivity.

Project: Strengthening agricultural cooperatives

Co-operative farming is one of the key elements for agricultural growth. However potential of cooperatives in agriculture development in the Municipality remains largely untapped. The whole municipality has only two registered agricultural co-operatives. When farmers do business together, transaction costs are reduced. These include among others; search costs, screening costs, transport costs and marketing. Co-operatives enable farmers to share crucial production and marketing information. Furthermore compliance and honouring of debts is high when farmers are together. Issues of compliance to quality regulations are in some cases internally enforced through farmer to farmer peer pressure.

Project: Enhancing farmers access to credit

All economies worldwide are driven by credit. Availability and accessibility of credit to farmers is a crucial step in farmer and agricultural development. Currently commercial banks no longer require farmers give them their title deeds as a form of collateral, however the viability of the business instead. This means that the produce itself acts as collateral. This came in light of ever increasing input costs. Moreover the government has made several interventions in the credit market which includes among others, the MAFISA programme, the Old Mutual Letsema programme and several funding schemes under the land bank stewardship.

Project: Enhancing market access

Market access plays a crucial role in agricultural development. Besides improving the existing marketing infrastructure, the central government can take the central role in ensuring market access to farmers in the Municipality by contracting them to supply correctional services facilities barracks and hospitals within the locality.

Project: Develop agro-processing industries

Agro-processing industries are those that finish and further manufacture agricultural products. In order for Thabazimbi LM to close some of the gaps present in its agricultural value chain, the LM should look into developing agro-processing industries that will provide those services that are currently being outsourced, thus keeping more capital within the LM itself.

**6.3.3.1.3 The Industrial Crops
Sub-Sector (oil seed,
essential oils and soya
bean production)**

Project: Developing agro-processing industries

Developed agro-processing industries value adds produce from the farmers and creates upstream employment in the value chains. However very few agro-processing industries are operation in the Municipality

Project: Strengthening and capacitating agricultural extension and training

The DAFF should play a crucial role in training and retaining experienced agricultural extension staff. For existing staff refresher courses should be carried out regularly. Furthermore key performance areas of employees have to be done regularly to keep work absconders at bay.

Project: Mechanisation units in each productive ward

Taking advantage of the Provincial MERACAS programme the Municipality should conduct needs assessment for

farmers in different wards. This needs assessment forms the basis of developing the mechanisation units in different wards. The figure below shows some of the sub sectoral strategies, their interventions and support services as well as anticipated outputs.

Project: Decrease cost of inputs to persuade more farmers to grow crops

A great deterrent to many farmers is the high costs of initial input for the farms. This includes the cost of land, the equipment and the livestock they have to acquire. To encourage more citizens to engage in farming, Thabazimbi LM should look for ways to decrease the input costs, of land especially, for farmers or identify ways to make those costs more affordable.

Project: Provide better road infrastructure

The roads to and from many of the farms, especially small farms, are of very poor quality. The majority of these are gravel and dirt roads and so do not provide easy access for the farmers to get to market. The municipality should look into providing better road infrastructure to make it easier for farmers to transport their products to a market and to make it easier for farmers to get the products they need from the market in order to grow their crops.

Project: Provide better access to agricultural information

Small, emerging farmers, at present, do not have sufficient access to the agricultural information they require in order to be truly successful in the market. This has resulted in a sizable knowledge gap between emerging farmers and the market. Providing these farmers with better access to the necessary information they require will significantly decrease this gap and provide a better experience for those who buy their products as well as the farmers themselves.

Project: Increase number of post-harvest handling facilities

A large percentage of emerging farmers' harvest go to waste as they do not have sufficient post-harvest handling facilities, such as silos, to store their crops. These farmers, who do not have convenient market access, are forced to try to sell their entire harvest right away or else lose almost all of it, due to inability to store it. The municipality should provide additional storage facilities for emerging farmers so they can be able to benefit from their entire harvest and not just a small percentage.

Project: Increase credit lines available to farmers

Thabazimbi LM has a well-developed financial sector. Despite this, emerging farmers find it very difficult to gain access to credit lines to use to finance their farming ventures. Means need to be found to increase emerging farmers' access to credit so that more citizens will pursue farming and so that those farmers already in existence can run their farms properly.

Project: Promote increased and efficient fertiliser usage

Emerging farmers need to be encouraged to increase their fertiliser usage and should be taught how to use it the most efficiently. The proper use of fertiliser will increase the farmers' crop yields and will thus also lead to increase productivity of the farm overall.

Project: Increase levels of technology adoption by small farmers

At present, small-scale farmers lag very far behind in terms of the technology they are using in order to farm. These farmers need to be educated about the latest technologies that they can employ to help them with their ventures. They also need help gaining access to these technologies, especially in terms of payment means, such as credit lines. Emerging farmers that are encouraged to employ higher levels of technology will increase the productivity and profitability of their farms significantly.

Project: Construct a local fertiliser manufacturing plant

The fertiliser currently in use in the Thabazimbi LM is all purchased from areas outside of the municipality. Given the necessity and regularity of fertiliser use, this makes its purchase a significant gap within the agricultural value chain of the Thabazimbi LM. In order to close this gap, and to benefit the community of the Thabazimbi LM, a local fertiliser plant should be developed so as to provide fertiliser locally to farmers, thus keeping the capital of the venture within the municipality where the citizens of the LM can benefit from it.

Project: Production of crops rich in oils

In order to benefit from the current trends of more health conscious consumers, farmers of the Thabazimbi LM need to look into the production of oil seeds, essential oils, and soya beans. The best crops for farmers to plant so as to gain the most from this trend include coconuts, corn, cotton seeds, oil palms, olives, peanuts, sunflowers and rape seed.

Project: Growth and market crops used to make seasoning or salad dressing

Emerging farmers can grow specific crops to satisfy specific demands of the health craze. These crops include almonds, poppy seeds, pumpkin seeds and walnuts, all of which can be sold for use in the manufacturing of seasoning and salad dressing.

Project: Use the oils to make products to sell

The Thabazimbi LM will also benefit from value adding to these oils themselves. By starting manufacturing/agro-processing plants, the municipality can gain the benefit of producing both the crops and the final products. For example, the Thabazimbi LM develop manufacturing for vegetable oil and fat for cooking, highly nutritious animal feed manufacturing, soap making, production of specialised lubricating oils, candle production and cosmetics manufacturing.

Project: Domestic heat from Bio-ethanol gel, charcoal, wood pellets or biogas

As an alternative to electricity, the municipality can look to the use of bio-ethanol gel, charcoal, wood pellets or biogas are used to provide domestic heat.

Project: Electricity from burning of crop stubble or wood

A good community project for the municipality is developing a system whereby crop stubble or wood are used to produce electricity for those communities who are lacking in this amenity.

6.3.3.1.4 Game Farming and Eco-Tourism Sub-Sector

Project: Strengthening game and eco-tourism research, extension and training

As stated previously, game farming and eco-tourism are perfect opportunities for growth in the Thabazimbi LM. In order for their potential to be fully utilised so that the most benefit can be gained from them, they need to be researched further. The support facilities available to them should also be increased such as extension services and training centres.

Project: Implementing game and eco-tourism flagship projects

To get the ball rolling in terms of game and eco-tourism development, the municipality needs to assist with the implementation of several flagship projects for these areas. Implementing a few projects will pave the way for entrepreneurs to start their own by illustration to them that it can be done and done profitably.

Project: Improving market access for tourism products

Emerging farmers have limited market access for tourism products they may produce, which means they are not able to take advantage of that potential market segment. In order for emerging farmers to benefit from the eco-tourism market, they need resources and support that will

provide them with proper access to the widest audience of the market.

Project: Establishing animal disease and control posts

Trans-boundary diseases are epidemic diseases that are highly contagious or transmissible and have the potential for rapid spread. These diseases cause a high morbidity and mortality in susceptible animal populations. Therefore, if these diseases are not properly prepared for and dealt with, such as through animal disease control posts, they can destroy a small-scale farmer's entire herd in a very short period of time.

Project: Build and maintain road infrastructure

The gravel roads leading to lodges and game farms are not maintained, making those destinations inaccessible to tourists. The poor road conditions also make it difficult for tourists to get around in the municipality, meaning that those tourists who do come, are more likely to avoid coming back and will not encourage other to visit the municipality, which will greatly damage this sector's chances of success.

6.3.3.1.5 Awareness and Support Structures

This subsector involves a number of elements that enhance agricultural development. These includes agricultural cooperatives development, land tenure security awareness campaigns, youth agriculture awareness campaigns, the land reform PLAS programme, agricultural pollution incentives awareness campaigns, development of agricultural centre of excellence, developing of synergies with agricultural financiers and development of agro-processing industries.

Project: Developing agricultural co-operatives

The Thabazimbi Local Municipality has limited registered agricultural cooperatives. This is partly as a result of lack of land and

water for agricultural purposes. Land unavailability in the municipality is also caused by the trade-offs between ownership of land and mine claims.

Project: Tenure security awareness campaigns

Large scale commercial farmers who are predominantly white have a feeling that they are excluded from the current and reform processes, however the DRDLR has programmes place specifically for tenure security. Insecure tenure results in low farm investments and will consequently resulting in poor productivity because productive resources will not be used to their fullest capacity. Such negative impacts are felt in the general macro economy through food shortages and price increases. These negative agricultural growth trends can be averted through awareness campaigns by both the public and private sector.

Project: Youth agriculture awareness campaigns

In order for the country to reach its full economic potential the youth of the country should be economically empowered. Generally most of the youth are missing in action in particular primary agriculture and agro-processing despite the efforts being made by the government. Agriculture and agro processing are mainly seen as blue collar professions and very few youth are interested in agriculture. It is important to note that only land for agriculture is the first mode of production which is available to the youth through community property rights, inheritance and the current land reform processes, however very few see it as a tool to improve their economic and social standings. Serious government interventions at grassroot levels need to be carried out in order to instil interest in them. This is an opportunity for the country to resolve some of its socio-economic ills. The country is sitting on a high unemployment level and the average age of the farmer is above 50 years.

Project: Land reform PLAS program

Through adoption and implementation of the national program of the Proactive Land Acquisition Strategy (PLAS) by the government, the land redistribution process will be accelerated; an improved beneficiary identification process which will enable sustainability of the farmer and the government will be in a position of access land in nodal areas for easy access to the markets for the farmers.

Project: Agricultural pollution incentives and awareness campaigns

Agricultural pollution in mine areas is quite a headache for farmers. Pollution in agricultural lands greatly impacts farmers on their productivity and profitability. With the rise in phyto-sanitary standards, quality standards and food safety standards certainly any kind of pollution causes great harm to the viability of the farm enterprises. Air pollution from quarrying and blasting results in poor plant growth. This ultimately translates into low quality produce which realizes low profits for the farmer if any. The same is felt when mines deposit wastes into rivers. Absorption of heavy metal elements by the plants are a threat to human and livestock health.

Through capacitating an institutional mechanism that enables polluters to be punished, polluters are kept at bay. Furthermore a constitutional way of reporting polluters must be in place it must be enforceable.

Project: Agricultural excellence centre

Growth in agriculture can only be sustainable when people are capacitated through education. Developing an agricultural excellence centre for the municipality as an affiliate of the provincial universities, agricultural colleges and FET colleges will result in agricultural development. This centre will act as agricultural information and research hub for the municipality. In some cases research and technology development among

different role-players in the agricultural field is not coordinated leading to duplication of work and unwanted use of scarce resources. Through coordination with the national, provincial and local structures such short comings will be minimized

Project: Developing of synergies with agricultural financiers

Availability and accessibility of agricultural finance plays a crucial role in agricultural development. There are number of agricultural financiers in the country, however they differ in their loan repayment and credit conditions. There are also special grants in agriculture which farmers have to take advantage of. These include among others the recapitalisation grants from DRDLR and Municipality grants. Furthermore financial credit can be accessed from both commercial banks and the land bank. Following the ever rising trends of agricultural inputs, commercial banks have introduced some different kinds of financial packages for farmers without them (farmers) having to use their title deeds as collateral. This in particular poses a great opportunity for farmers. Funding also can be accessed from public coffers' funds such as MAFISA and other public funding administered by the Land Bank and the Old Mutual Bank (Masisizane).

Project: Development of agro-processing industries

In order for agriculture to grow most of the produce have to be value added for them to realize improved profit streams. This can only be achieved when partnerships are forged within the public and private sector. Following huge differences between the retail prices and the farm gate prices, serious interventions have to be taken in order for the farmers to realise more on their produce. This could in one way or another act as stimuli to instil agricultural interest in the youth.

Project: Increase availability of agricultural extension offices for emerging farmers

Agricultural extension offices provide knowledge and access to technologies that emerging farmers desperately need to be successful in their ventures. In order for emerging farmers to get the support from these offices that they need, the extension offices need to be made more visible and more available to emerging farmers.

Project: Create legislation for land procurement for development

In order for the Thabazimbi LM to go ahead with all of the development projects needed, first land needs to be obtained that can be developed. Many small farmers within the municipality have land that they are willing to sell, however there is currently no legislation that dictates how the municipality can go about procuring this land for use in development projects. Therefore, new legislation needs to be created to make all the requirements of this type of transaction clear so that the municipality can get the land it requires and the farmers can get the best profit from the sale of their land.

6.3.3.2 Current LED projects

Organic Farming: Agro-processing and vegetable packaging

One of the best opportunities for development within the Thabazimbi LM is organic farming, along with agro-processing and vegetable packaging process that go along with this type of venture. The organic farming currently taking place within the municipality, in Ward 1, has to do with the growing of lettuce, cucumber, spinach, butternut, green beans, tomatoes and beetroot. Also included in this project is a pack house for the produce. The project has 23 beneficiaries and the Manger PED, Kumba Mine and the Department of Agriculture are all drivers and key role-players for the success of this project.

6.3.3.3 Potential Game Changers

Agriculture and agro-processing in the Thabazimbi Local Municipality is an established industry with numerous opportunities for growth and development.

The development opportunities identified in the agriculture and agro-processing industries are grouped into the following four categories. These opportunities will form the basis for identifying programmes and projects of the LED Strategy.

Strengthen the agriculture value-chain

- The agriculture and agro-processing value chain spans all participants in the production, manufacturing and retail of agricultural goods. In the TLM, this value-chain is often fragmented resulting in economic leakage and lost business opportunity. The opportunity is therefore identified for the Municipality to strengthen the value-chain in collaboration with farmers, small business and agri-industry.

Develop small-scale farmers and producers

- Small-scale farmers and producers play an important role in food security, rural employment, income creation, and sustainability of the agriculture and agro-processing industries. This opportunity is especially relevant in the TLM owing to the strength of the agriculture and agro-processing sectors in certain LMs, availability of small parcels of quality land and proximity to large urban markets.

Develop specialty and niche products

- Speciality and niche agriculture products are those not traditionally farmed or processed within a regional economy. They may be developed through the introduction of new grains, crops or produce; the raising of animals not typically farmed in the region and the development of new ways to process and package existing goods. Production of these niche and speciality goods provides an important opportunity to promote diversification, enhance profits,

increase employment and utilise un-used parcels of land.

Export Promotion and Diversification – Export promotion and diversification offers an important opportunity to earn foreign currency; create sustainable employment; increase the adoption of new production practices and advanced technologies; and enhance sector competitiveness. The opportunity for export promotion in the TLM is particularly high due to the proximity to large-scale processing, storage and transport facilities; accessibility of expanding markets in Southern Africa; and a growing/harvesting season opposite to that in the Northern Hemisphere.

The importance of the agriculture and agro-processing sectors can be conveyed through the number of LED projects in each of the Local Municipalities.

6.3.3.4 Funding and Support

The following paragraphs provide a summary of the organisations, agencies, programmes and industry role-players, which provide support to farmers and producers in South Africa including those in the TLM.

Comprehensive Rural Development Programme (CRDP)

The objective of the CRDP is to facilitate integrated development and social cohesion through partnership with all sectors of society by promoting:

- Accelerated land redistribution.
- Improved food security for the rural poor.
- Creation of business opportunities.
- Decongestion and rehabilitation of former homeland areas.
- Expanded opportunities for rural women, youth and elderly people.

Land Redistribution for Agriculture Development (LRAD) Programme

The LRAD programme is designed to provide black South Africans with access to

land for agricultural production. The objectives of the programme include:

- Assisting land recipients and emerging farmers with the skills needed to manage commercial farms.
- Broadening the opportunities available to rural youth.
- Stimulating agricultural production.

Comprehensive Agricultural Support Programme (CASP)

The CASP programme was developed as a compliment to the LRAD and provides post-settlement support to beneficiaries of land reform and other producers. The programme objectives are:

- To facilitate community ownership and involvement.
- To support previously disadvantaged individuals.
- To enhance national and household food security.

Land Care Programme

The Land Care Programme offers a community based approach to sustainable land and resource use. The programmes objectives are to:

- Promote partnership between communities, private sector and government.
- Establish institutional arrangements to develop programmes that encourage skills development, business establishment and productivity.

IDC Agro-Industries

The IDC's Agro-Industries Strategic Business Unit provides financial support for activities along the agriculture value-chain. This support is offered to new or existing businesses

Strategic Business Unit

with a sound business plan, employment creation potential and support from a private sector partner.

IDC Agro-Processing Competitiveness Fund (APCF)

The objective of the APCF is to facilitate increased competitiveness, growth, job creation and development in the agro-processing and beverages sectors. It provides grant funding for academic and applied research projects on a sector-wide, sub-sector and/or company level.

Land Bank

The Land Bank provides financial services to the commercial farming sector and agri-industry with the following objectives:

- To provide appropriate products for commercial and emerging clients.
- To develop techniques for financing high-risk agriculture and new industries.
- To leverage private sector investment in the agricultural sector.
- To contribute to rural development and transformation of the sector.

Agriculture Research Council (ARC)

The ARC is the principal agricultural research institution in South Africa tasked with conducting research, driving research and development, technology development and the transfer of information in agriculture and agro-processing. The ARC is specifically involved in the development of niche agricultural products and processes.

Limpopo Economic Development Agency

LEDA is a social & economic development Enterprise, operating within the Limpopo province. As such, LEDA delivers the following key services to its constituency:

- Enterprise development.
- Housing finance and assistance.
- Mining.
- Public transport.
- Investments and other projects.

Limpopo Business Support Agency

Central to the mandate of LIBSA, is its role to promote enterprises in the sectors of mining, tourism, agriculture, manufacturing and construction and information communication technology into the mainstream economy. LIBSA co-ordinates and implements innovative business support programmes through:

- Co-operatives development and support.
- Business incubation.
- Business information dissemination.
- Business advisory services.
- Capacity development programmes.

The Co-Operatives Incentive Scheme

The CIS is a 90:10 matching cash grant for primary co-operatives to improve the viability and competitiveness of co-op enterprises by lowering the cost of doing business.

The IDC Food, Beverage and Agro-Industries Industrial Financing Scheme

The purpose of the scheme is to promote the establishment of permanent infrastructure in the agricultural and aquaculture sectors and establish new or expand existing undertakings in the food and beverages sector.

DBSA Jobs Fund

The fund will, on a competitive basis, consider co-financing proposals from private sector, non-governmental organisations, government departments and municipalities that show economic development potential linked to sustainable job creation.

Local Government Support Fund

The fund supports local government to create an enabling environment for local economic development. Non-governmental organisations (NGOs) partnering with local

government can apply for funds in the following areas:

- Local consultation exercise.
- Research.
- Technical assistance.
- Training.
- Study tours.
- Limited capital equipment.
- Project management tools.

Expanded Public Works Programme

The programme is a key government initiative that contributes to Governments Policy Priorities in terms of decent work and sustainable livelihoods; education; health; rural development; food security; land reform and the fight against crime and corruption. EPWP subscribes to outcome 4 which states: "*Decent employment through inclusive economic growth.*"

Manufacturing Competitiveness Enhancement Programme (MCEP)

MCEP is one of the key action programmes of the Industrial Policy Action Plan (IPAP) 2012/13 – 2014/15 and will provide enhanced manufacturing support aimed at encouraging manufacturers to upgrade their production facilities in a manner that sustains employment and maximises value-addition in the short to medium term.

The MCEP comprises two sub-programmes:

1. The Production Incentive (PI).
2. The Industrial Financing Loan Facilities that will be managed by the **dti** and the Industrial Development Corporation respectively.

National Electrification Programme (Municipal)

The goal of the National Electrification Programme (Municipal) is to provide capital subsidies to municipalities to address the electrification backlog of permanently occupied residential dwellings, the installation of bulk infrastructure and

rehabilitation of electrification infrastructure.

Council for Scientific and Industrial Research (CSIR)

The CSIR is one of the leading scientific and technology research, development and implementation organisations in Africa. One component of the CSIR is the Transport Systems and Operations team that attends to the design and modelling of accessible, acceptable, available and affordable transport systems.

The four core focus areas of the Transport Systems and Operations team are:

1. Transport economics.
2. Transport infrastructure management systems.
3. Public transport systems design.
4. Logistics system analysis and supply chain engineering.

Critical Infrastructure Programme (CIP)

The Critical Infrastructure Programme supports the competitiveness of South African industries by lowering business costs and risks and provides targeted financial support for physical infrastructure that will leverage strategic investment with a positive impact on the economy.

Developmental Electricity Pricing Programme (DEPP)

The aim of the DEPP is to contribute to economic growth and employment by attracting industrial investment projects which would, in the absence of DEPP, not invest in the Republic; by providing them with competitive internal electricity prices.

Municipal Infrastructure Grant (MIG)

MIG supplements municipal capital budgets through the funding of basic municipal infrastructure backlogs for the provision of basic services to primarily service poor households. This infrastructure must be provided in such a way that employment is

maximised and opportunities are created to support enterprise development.

*Neighbourhood Development
Partnership Grant (NDPG)*

The NDPG aims to create enabling economic infrastructure in dormitory townships across South Africa that will attract private sector investment.

Industrial Policy Projects (dti)

The tax incentive provided for industrial projects is intended to promote local and foreign direct investment in industrial policy projects in South Africa and is legislated in terms of section 12I of the Income Tax Act. R20 billion has been allocated for additional tax deductions under this new incentive, with a focus on large industrial projects.

Table 28: Agriculture Programmes and Projects

Programme	Projects		
	Public	Community	Commercial
Livestock Subsector	<ul style="list-style-type: none"> • Improve animal productivity • Improving animal health and quality services • Improving market access to farmers • Establishing animal disease control and prevention posts 	<ul style="list-style-type: none"> • Encourage communal farmers to participate in commercial agriculture • Educate small farmers of the dangers of indiscriminate animal breeding 	<ul style="list-style-type: none"> • Beef cattle production feedlots • Extensive cattle production • Intensive pork production • Intensive poultry production • Production and packaging of game meat
Horticulture	<ul style="list-style-type: none"> • Strengthening and capacitating extension services to farmers • Strengthen agricultural cooperatives • Enhancing farmers access to credit • Enhancing market access • Develop agro-processing industries 		
Industrial Crops Subsector	<ul style="list-style-type: none"> • Develop agro-processing industries • Strengthen and capacitating agricultural extension and training • Decrease cost of input costs to persuade more farmers to grow • Provide better road infrastructure • Provide better access to agricultural information 	<ul style="list-style-type: none"> • Electricity from burning of crop stubble or wood 	<ul style="list-style-type: none"> • Mechanization units in each production ward • Increase number of post-harvest handling facilities • Increase credit lines available to farmers • Promote increased and efficient fertilizer usage • Increase levels of technology adoption by small farmers • Construct a local fertilizer manufacturing plant • Production of crops rich in oils • Grow and market crops for use as seasoning or in salad dressing • Use oil to make products • Domestic heat from Bio-ethanol gel, charcoal, wood pellets or biogas
Game Farming and Eco-tourism Subsector	<ul style="list-style-type: none"> • Strengthen game and eco-tourism research, extension and training • Implement game and eco-tourism flagship projects • Improve market access for tourism products • Establish animal disease and control posts • Build and maintain road infrastructure 		

Programme	Projects		
	Public	Community	Commercial
Awareness and Support Structures	<ul style="list-style-type: none"> • Developing agricultural cooperatives • Tenure security awareness campaigns • Youth agricultural awareness programs • Land reform PLAS programme • Agricultural pollution incentives and awareness campaigns • Agricultural excellence centre • Developing of synergies with agricultural financiers • Development of agro-processing industries • Increase availability of agricultural extension offices for emerging farmers • Create legislation for land procurement for development 		
Current Projects		<ul style="list-style-type: none"> • Organic farming: Agro-processing and vegetable packing 	
Game Changers	<ul style="list-style-type: none"> • Strengthen agricultural value chain • Develop small scale farmers and producers • Export promotion and diversification 		<ul style="list-style-type: none"> • Develop specialty and niche products

6.3.4 Tourism

6.3.4.1 Programmes and Projects

6.3.4.1.1 Exploit Existing Opportunities

Project: Develop Game Farming and Hunting Industries

The game farming and hunting industries of the Thabazimbi LM are already very well established. This means that they have a lot of growth potential as their development does not carry as much risk as some of the brand new ventures. Both of these industries need to be expanded and promoted for a wider range to attract more people to the municipality.

Project: Extend Waterberg Biosphere

Currently, the Waterberg Biosphere extends from the Marakele National Park in the south west to the Wonderkop Nature Reserve in the north east. The Waterberg Meander has a number of routes that go through Waterberg that showcase prime tourist attractions within the area and community-linked projects. Thus, the Biosphere is an integral part of eco-tourism in the Thabazimbi LM. In order for the Thabazimbi LM to increase this importance, as well as to bring in more tourists to the Thabazimbi LM, the Waterberg Biosphere should be expanded to include the Maidkwe, Atherstone, Thaba-Tholo and Welgevonden Game Reserves. Expanding the Biosphere in this way will provide increased tourism traffic through the Thabazimbi LM.

Project: Promote Nature Reserves

The Thabazimbi LM's nature reserves, in particular the Marakele National Park, are the main tourist attractions currently within the Thabazimbi LM. In order for the municipality to fully utilise this attraction, use it to draw people who can then perhaps be enticed to stay and partake in other offering of the municipality, the Thabazimbi LM must increase its promotion and exposure of the nature reserves. Doing this will draw more people to the reserves that

will result in increased tourism traffic for Thabazimbi LM.

Project: Develop tourism transport service

At present, there is no tourism transportation service available in the Thabazimbi LM and road access is underdeveloped. This makes it very difficult for tourists that visit the municipality to get around easily. The Thabazimbi LM needs to establish several tourism transport services to satisfy the needs of different tourist. These services should include buses, rail transport as well as car rental facilities.

Project: Rebuild and maintain roads

The roads of the Thabazimbi LM need to be rebuilt and maintained so that there is proper access to the municipality and all its offerings for tourists.

Project: Put up more visible road signage

For those tourists who are able to get around the municipality, the road signage that is currently available is not adequate to allow these visitors to confidently navigate the Thabazimbi LM. The municipality needs to organise and erect clear and proper road signage so that tourists can travel around the Thabazimbi LM with ease.

Project: Provide better internet service

Thabazimbi LM does not have wide ranging internet connectivity within the municipality. This increases the difficulty of tourism role-players who wish to effectively utilise ICT tools. The internet capability that is currently available in the municipality is haphazard and unreliable so only serves to add to the frustrations of those who wish to use it. The Thabazimbi LM should provide a better internet service to its citizens to allow for more effective communication within the Thabazimbi LM and between the Thabazimbi LM and the rest of the country and the world.

Project: Provide IT Training

In order for people to be better equipped to fully utilise the ICT structures of the

municipality, the Thabazimbi LM should invest in IT training courses and centres for people to attend. These courses should provide Thabazimbi LM's citizens with all the tools and skills necessary to get the most benefit out of the ICT infrastructure of the municipality.

Project: Heritage-based and cultural tourism

The rich history of the Thabazimbi LM provides it with the perfect opportunity to tap into the niche market of heritage-based and cultural tourism. In order to take advantage of this, the municipality needs to put more focus on the renovation and identification of historic buildings as well as to give consideration to the establishment of a heritage route, similar to the Greater Mapungubwe Heritage Route, that will provide a broad range of activities related to historic buildings, sites and attractions in the municipality. These activities can be partnered with local tourism operations to strengthen this opportunity.

Project: Promote more arts and crafts

At present, there is no real art and craft uptake in the Thabazimbi LM. The local communities lean more toward mining and agricultural activities as there is little to no incentive for the informal SMME development that would turn arts and crafts into viable business propositions. The Thabazimbi LM should look to support those who wish to pursue arts and crafts businesses so as to help in diversify the economy and tourism offering of the municipality.

Project: Eco-tourism and an ecological education on land areas under conservation

Eco-tourism is a fast growing industry worldwide as more people feel the need to get away from their busy lives in the cities and get away to places that remain natural. The land in the Thabazimbi LM that has remained under conservation, and was preserved in its natural beauty as much as possible, provides a perfect opportunity to

attract tourists through the promotion of eco-tourism, with the associated ecological education that such activities necessitate.

Project: Establish facilities for hunters families

Many hunters that come to the Thabazimbi LM are married with families who they leave behind when they come to hunt as there are generally no facilities for their families to use while they are out hunting. This restricts the frequency of the hunters' visits as well as the duration of their stay. The opportunity therefore exists for the establishment of family facilities at hunting lodges such as pools and other entertainment activities that the families of hunters can enjoy while they are hunting. This will increase both the frequency and the duration of hunters' visits and will entice additional tourists into the municipality who will utilise the other tourism activities that the Thabazimbi LM has to offer.

Project: Mining tours/informative visits

The Thabazimbi LM has a rich mining history and mining continues to be an extremely important sector in the municipality. These two factors can be utilised best in terms of development for the LM by developing mining tours and informative visits that can be carried on at abandoned or semi-functional mines in a safe and practical manner.

6.3.4.1.2 Marketing

Project: Develop an effective and focused marketing strategy and branding

The development of an effective and focused marketing strategy will provide great benefits for Thabazimbi LM as it will link tourists' needs with the product offerings of the municipality, especially in terms of accommodation, activities, attractions, food and drink, cultural and historical sites and the natural habitat that Thabazimbi LM has to offer.

Project: Create a tourism based website for the Thabazimbi LM

The Thabazimbi LM is in need of a unique tourism-based website, separate from the municipality's main website that can be used to draw both international and local tourists to the municipality. The TTA should look into the creation of such a website as its members should have access to the best information about the Thabazimbi LM that will be likely to attract tourists to the municipality.

6.3.4.1.3 Support Structures

Project: Create a tourist database

In order for the Thabazimbi LM to be successful in improving and growing its tourism sector, the municipality first needs to determine how much tourist traffic it currently receives. The Thabazimbi LM already has the technology needed to develop a tourist database that will assist the LM in understanding how best to utilise its tourism potential. This database should include how many tourists visit the municipality on average, where they go, what they do and what is the duration of their stay. All of these statistics will help the Thabazimbi LM devise the best way to move its tourism sector development forward.

Project: Increase TTA involvement in local government

The TTA should look to increase its involvement in the decisions made by the municipality, especially those decisions concerning problems businesses are facing such as the inability to start up due to overburdening regulations. The TTA should be heard and assist in every step of decision-making through such means as regular meetings with municipal officials to make sure that the concerns of the tourist industry are dealt with in a logical and practical manner. Becoming more involved with these decisions will also help to increase the support for the TTA.

Project: New regulations

Current regulation of tourism businesses is not functional as it does not take into consideration the circumstances of the different businesses and is based on miscommunications between municipal officials and businesses. New regulations need to be developed that better categorise and regulate the businesses. These categories can be based on, for instance, the reason for the business, whether it is the sole income of the owners or a side business. The categories should be divided into tiers that allow for less regulation concerning the start-up of small businesses than for large businesses that are well established and have been in operation for many years with a large number of employees.

Project: Provide more financial and nonfinancial support for tourism entrepreneurs

At present, there is very little support available for tourism entrepreneurs. In order for these entrepreneurs to start and grow their businesses, the municipality needs to develop many more sources for support for these endeavours, both financial and nonfinancial support, such as training.

Project: Project Criteria

The mining sector is both willing and eager to provide funding for development projects in the Thabazimbi LM. However, they have not provided a clear set of criteria that they will use in terms of deciding which projects they will invest in. Therefore, the mines and municipality need to work together to determine an inclusive and workable set of criteria so that funding can begin to be provided to tourism entrepreneurs.

Project: Get rid of or lessen Red Tape around receiving funding

At present, there is too much red tape surrounding the provision of funding for new tourism projects. Prospective businesses have to go through the

government in order to get funding from the mines, which they never receive. For funding to get to the projects and actually help them grow, a new system needs to be developed that will allow for less red tape, perhaps by allowing the mines to give funding directly to the projects they support.

Project: Promote more BBBEE involvement

There is a lack of BBBEE and black community participation in the tourism sector. This is mostly due to the size and nature of existing businesses, many of which are too small to be able to hire more workers. The situations of these businesses, such as lodges and B&Bs, need to be taken into account when developing a strategy for solving this issue.

Project: Make support available to all businesses

As a result of the BBBEE situation, many small businesses are not able to get the support they need. For example, mines do not provide funding for these businesses as the mines do not get any "point" for assisting businesses who do not comply with BBBEE regulation. In order to provide much needed support to these businesses, their situations need to be considered in addition to the stipulation of BBBEE compliance.

6.3.4.1.4 Encourage Tourism Entrepreneurship

Project: Develop work experience programs for youth

One of the most important factors in enhancing tourism is education. To this end, the local high school of Thabazimbi LM has gotten things rolling by offering tourism as a subject. However, this alone is not enough to encourage youth to become actively involved in the tourism industry. In order to further encourage them, local tourism business owners should work with the municipality to develop work experience

programmes for the youth, such as job shadowing.

Project: Develop hospitality training facilities

At present, there are no hospitality training facilities in the Thabazimbi LM. The municipality needs to develop these facilities to provide training, such as staff training for front desk service, food preparation and tour guides. Training programmes should also be provided for small, medium and micro-tourism enterprises. These training facilities should also include manager training to provide the tourism sector with more skilled and trained tourism managers, especially black managers.

6.3.4.2 Current Projects

Coordinate the Thabazimbi LM EXPO and music festival

The Thabazimbi LM Game and Tourism Expo, as well as the music festival Oppikoppi, are important revenue generators for the Thabazimbi LM that should be developed and expanded. In recent years, the Expo has not been up to standard, therefore it is in need of revitalisation in order for it to be a lucrative addition to the Thabazimbi LM's tourism offerings once again.

Develop branding image for Thabazimbi LM

The establishment of a unique brand helps to create an emotional connection among products, companies and their customers and constituents, in this case, the attractions of the Thabazimbi LM with the tourist market. The brand should market the Thabazimbi LM as an experience and not just a place.

SMMEs and Co-operatives support

SMMEs and Co-operatives require far more support in order to thrive than they are currently being given. The municipality needs to develop additional support mechanisms for these two types of entities

that will allow them to flourish and run well within the community of the Thabazimbi LM. These two types of enterprises are the lifeblood of the Thabazimbi LM's economy so need to be as supported as possible.

Development of the Thabazimbi LM Market Stalls

Informal traders within the Thabazimbi LM have no official place available to them as a place for them to sell their wares. In order for the municipality to support informal traders and assist them in their entrepreneurial endeavours, the municipality needs to construct market stalls that will give the traders a formal safe place to sell their products. Having a specific place for them will also make it easier for more people to find them to buy their wares.

6.3.4.3 Potential Game Changers

The Thabazimbi LM is rich in tourism potential. A number of niche markets can be exploited to further tourism development in the municipality.

Game farming - Game farming was discussed in detail in the section on the agriculture sector. The Thabazimbi Local Municipality has a comparative advantage in exploring game farming considering that most of its area lies in arid to semi-arid conditions which are suitable for game farming. There are various opportunities for job creation at all four levels of game farming as discussed in the agriculture section.

Game farming will result in the creation of employment through the need of game wardens, tour guides and hotel and catering staff. This will assist in lowering the unemployment levels in the municipality. Furthermore, game farming will attract foreign tourists with foreign currency. Trophy hunting and animal viewing are additional spin-offs for further revenue in this regard.

This industry holds prodigious opportunities for both the agricultural and tourism sectors.

Tourism marketing campaign - One of the most important aspects of tourism expansion relates to an effective and focused marketing strategy. Marketing remains one of the most valuable means of informing people about the amenities, natural beauty, attractions or facilities in a region. A sound marketing strategy links tourists' needs with the region's product offering in terms of accommodation, activities, attractions, food and drink, cultural and historical sites and the natural habitat.

To effectively implement a successful marketing strategy requires that the Thabazimbi LM is well-informed about its target markets. The markets differ for specific attractions in the LM, which requires focused marketing that targets specific interest groups. The more specific and focused the marketing campaign is, the higher the chances of attracting tourists and enticing them to stay for longer periods of time in the area.

The importance of a unique Thabazimbi LM brand cannot be over-emphasized; brand management aims to create an emotional connection among products, companies and their customers and constituents, in this case, the attractions of the Thabazimbi LM with the tourist market. Careful brand management seeks to make the product or services relevant to the target audience. From the perspective of brand owners, branded products or services also command higher prices. Where two products resemble each other, but one of the products has no associated branding, people may often select the more expensive branded product on the basis of the quality of the brand or the reputation of the brand owner. The Thabazimbi LM should develop a brand based on a reputation for quality, value for money and professionalism, while also emphasizing the unique characteristics of

the area and the exclusive experiences on offer.

In addition to branding, image development is also an important concept in terms of how tourists view the region. The image or attractiveness of the municipality will largely determine if tourists will have a favourable view of the area and therefore consider visiting its tourist attractions. An image can be defined as a sum of beliefs, ideas and impressions that a person has of a facility, place, organisation and the personnel. As such, it is possible to mould this image via targeted media campaigns. People with a negative perception of a destination will avoid it. In order to create a positive image for the Thabazimbi Local Municipality, the following considerations need to be taken into account:

- The value of the Thabazimbi LM – this aspect relates to the value that the area offers tourists when visiting. This includes, inter alia, value for money, value in terms of experience, etc.
- The magic of Thabazimbi LM – the concept refers to the unique set of circumstances that sets the Thabazimbi LM apart from all other regions and makes it stand out from the competition.
- Branding – the unique branding of the LM is essential in order to make the region well-known and establish a reputation for excellence in tourism.
- The atmosphere generated by the municipality – atmosphere refers to certain sensorial qualities emitted by a space. It encapsulates many sensory elements, such as sound, space, air, objects within the area, etc. All successful tourism areas are imbued with a certain atmosphere or ambiance. It gives a unique character to an area (i.e. Paris in the spring or the Okavango during rainy season). The Thabazimbi LM should consider taking advantage of the area's relaxed, natural atmosphere, rural bushveld character and distinctive fauna and flora.

The usage of various media types is the most efficient way in which to market the Thabazimbi LM as a tourism destination. These tools include the internet, radio, television and travel magazines. Marketing to the international tourist can be accomplished by packaging a tour through the region and then marketing it internationally. Furthermore, a cohesive central tourism body that guides all these initiatives in a coordinated fashion, by regulating media, marketing, skills training and all other tourism-related aspects is essential in achieving long-term success in the tourism industry. This could be guided by way of a coordinated tourism development strategy for the LM. The newly established Thabazimbi LM Tourism Centre will help accomplish these goals. Consideration should be given to a tourism forum as well, that aids in the integration and discussion on tourism issues by involving all the relevant stakeholders from government to the private operator. Such a forum will provide a platform where operators can voice their concerns and collective solutions to challenges in the industry can be realised.

There are numerous opportunities to further develop in this industry in order to boost economic growth. These opportunities are grouped into the following five categories:

Market the Region as a Tourism Destination - The local tourism industry could benefit from better tourism marketing, aimed at expanding the tourism market beyond current visitors and towards business and international tourists. Tourism marketing should be guided by the development of a tourism marketing strategy. Therefore, it is recommended that the Municipality partner with local tourism operators, which may be facilitated by a local Business Chamber. The Municipality should also seek support and guidance from SA Tourism, Limpopo Tourism and other support institutions.

In order to attain this goal, the Thabazimbi LM tourism brand needs to be redefined in collaboration with all the stakeholders, including game farmers, the hunting associations and lodges, guest houses, lodges, etc. As such, the Thabazimbi LM Tourism brand should focus on creating a Unique Selling Proposition that will differentiate it from other wildlife destinations. This can be achieved by developing a unique Brand Key that establishes a framework and common language for the Thabazimbi LM brand. Developing a Brand Key assists in shaping the strategic direction of the Thabazimbi LM tourism sector by determining the essence of its brand, i.e. its values, customers, etc.

In order for Thabazimbi LM Tourism to develop an effective brand key, the following main aspects need to be addressed:

1. **Root Strengths:** These strengths relate to the unique experiences, scenery, activities, etc. that the Thabazimbi LM can offer tourists and how these strengths benefit the tourist.
2. **Competitive Environment:** This aspect relates to other entities/municipalities who offer the same or a similar tourism product.
3. **Target:** The target indicates the type of individual(s) who would be interested in visiting the Thabazimbi LM and the experiences they would want to enjoy whilst visiting.
4. **Insights:** The knowledge about tourists and their requirements for the Thabazimbi LM as a tourist destination, compared to the competitors, provides valuable insights into ways of attracting visitors.
5. **Benefits:** The perceived gains for a visitor in visiting the Thabazimbi LM region as it relates to functional, sensory and emotional benefits, whereby an individual can achieve satisfaction from visiting the area, either through the sheer beauty of the region or the relaxation or value for money it offers.

6. **Values, Beliefs and Personality:** These relate to the brand values of the Thabazimbi LM tourism, i.e. what the tourism brand stands for and believes in. It gives an indication of what the brand is and its core beliefs.
7. **Reason to Believe:** This concept involves the proof offered by the Thabazimbi LM tourism brand to substantiate the benefits of the tourism experience and alludes to why a tourist should believe in the brand.
8. **Discriminator:** The single most compelling and competitive reason for the target consumer, i.e. the tourist to choose the brand, i.e. Thabazimbi LM tourism.
9. **Essence:** This involves the distillation of the Thabazimbi LM tourism brand into a core idea or promise that is easily understood by the tourist.

Some intrinsic factors that in all probability will be incorporated into the new Thabazimbi LM Tourism Brand are:

- The geographic location of Thabazimbi LM in relation to Gauteng. It is two to three hours' drive from Gauteng and the OR Tambo International Airport.
- The area has the nearest National Park to Gauteng, namely the Marakele National Park.
- The habitation of the Big Five in the area.
- The availability of well-established niche markets in areas such as hunting, game lodges, etc.
- The availability of other products already on offer in Thabazimbi LM.
- Target market needs and requirements, to be ascertained through various demographics, usage patterns, benefits desired or geographic segments.

According to the Tourism Business Establishment Survey conducted in 2011, the Thabazimbi LM has the following tourism infrastructure, operators, attractions and facilities:

- **Attractions:**
 - One National Park – Marekele National Park.

- 123 Game Farms.
- Travel Organiser Services:
 - Two Conference organisers.
 - One Tour Broker.
- Transport Sector:
 - One Railway station, but with no long distance passenger train service.
 - Two Taxi ranks.
- Tourism Sector:
 - Annual Game Expo in Thabazimbi LM AKA Thabazimbi Wildsfees.
 - Abseiling and Mountain Climbing.
 - Archery.
 - Fly-in Breakfasts.
 - Bird Watching.
 - Trap Shooting.
 - Angling.
 - Horse Riding.
 - 4x4 Terrains.
 - Hunting.
 - Hiking.
 - Marathon.
 - Off-Road Terrain.
 - Soccer tournaments.
 - Golf.
- Tourism Consulting Services:
 - Chartered Accountants.
 - Auditing Firms.
 - Financial Consultants.
 - Five Commercial Banks.
- Accommodation:
 - 11 Caravan and Camp sites.
 - 42 Self Catering.
 - Two Timeshare.
 - 195 Guest Houses or Bed and Breakfast.
 - 1 Hotel.
- Tourism Marketing:
 - Tourism Industry Association.
- Community Tourism Sector:
 - Private organised Tourist guides.

Sparse data is available regarding the current tourist profile in Thabazimbi LM, however, due to its location and current product offering, certain assumptions can be made:

- The current tourist will most likely be interested in safaris, hunting or other nature / wildlife activities.

- The current tourist will in all probability be considering either a rugged outdoor adventure, or a luxurious break.
- These types of activities favour the older or more mature demographic profile as well as adventure seeking individuals.
- Tourists will be most interested in short breaks, i.e. a weekend or long weekend break.

Development of a Tourism Database - It is further suggested that in order to package the tourism marketing of the Thabazimbi LM into a cohesive and collaborative whole, consideration should be given to the development and upkeep of a tourism database, with information on all tourism operations in the area. Such a database can be provided on a separate website, with concomitant information on the region and its attractions that tourists can utilise in their holiday decision-making. This will ensure that the municipality embraces ICT as a form of marketing and thereby reach a broader audience. In addition, it is suggested that the municipality utilise GIS information currently being implemented in the agriculture sector to map the various activities in the tourism industry. This will be especially relevant when investigating the availability of hunting and similar activities that closely match agricultural activities.

Increase the tourism impact of nature reserves – The municipality is home to various nature reserves, such as the Marakele National Park, the Waterberg Biosphere reserve, Atherstone, Percy Fyfe, Witvinger, Zebediela, Wonderkop, Masebe and the Moepel farms. Therefore, it is advisable to further invest in these nature reserves with the objective of enhancing tourism. The expanded marketing of Marakele National Park is salient in this regard. The park has the ability to attract numerous visitors by virtue of its status as a national park alone. This holds true for the Biosphere as well, since it has international

status. The promotion of these statuses as a root strength of the LM is an important factor in brand identification as it marks the Thabazimbi LM as a unique area and adds to the value the municipality has to offer. Other root strengths of the parks include, inter alia, unique fauna such as the Cape Vulture, rarely-seen antelope, such as Reed Buck and unique topographical features. All these factors combine to create a singular character and atmosphere, the “magic” mentioned previously that can be utilised to market the municipality as a desirable tourist destination. Consideration should be given, among others, to capitalise on events in the park and to expound on them via various media platforms. For example, the recent acquisitions of ten buffalo cows and two new lions by the park in April and May 2014 respectively can serve as a stepping stone for further media statements to extoll the virtues of the park in terms of conservation and wildlife management.

Promote heritage-based and cultural tourism - The Thabazimbi LM has a rich cultural heritage, but the product offerings in terms of culture and heritage is not well-developed (Waterberg Tourism Strategy, 2006). The tourism industry can be enhanced via the development of ‘heritage offerings’. Heritage offerings form part of the broader concept of cultural tourism. Cultural tourism involves all aspects of travel, whereby travellers learn about the history and heritage of others, or about their contemporary ways of life or thought. It includes aspects of the local area in terms of its contemporary lifestyles, food, topography, environment, towns and villages, its historic sites and cultural performances. Broadly speaking, cultural tourists are motivated to learn about the products and processes of other cultures. Heritage tourism, specifically, refers to cultural artefacts of the past, such as historic buildings and sites, a previous generation’s way of life, etc. Heritage sites will need to be open to entrepreneurial

approaches of business to enhance tourist attraction, while continuing to meet their heritage preservation goals. The concept of packaging, partnership, marketing and collaboration to create cultural and non-cultural opportunities in one place or at one time is crucial to creating a cultural tourism destination. Creating a cultural tourism destination takes strategic planning built on an understanding that there are different degrees of consumer motivation for culture and that most people are looking for a variety of things to do when they travel. Cultural facilities and events may therefore capitalize on opportunities to attract tourists who are not greatly motivated by culture but who have some level of interest in it and would therefore most likely participate given a package offering. This ties in with the aforementioned emphasis on the need for coordination and collaboration of tourism entities and operators in the municipality. The demographic, socio-economic and behavioural profile of the cultural tourist ties in well with the profile of the tourist that other tourism industries ordinarily target. This means that there is opportunity for collaboration among municipal entities, governmental agencies and private enterprise to benefit all within the tourism industry by targeting those individuals with an interest in the area in general and those with specific interests in culture and heritage. Collaborative efforts may include, inter alia, partnerships between cultural products of different types, as well as partnerships between cultural and non-cultural tourism products. Partnerships between cultural products of different types include, for example, a package that offers a festival or Expo together with an arts and crafts route. Partnerships between cultural and non-cultural tourism products may include a variety of experiences that most tourists are seeking and greatly widens the market for culture. It couples non-cultural products, such as hotels, resorts, retail areas, sports and outdoor recreation with

cultural experiences, such as festivals, heritage site visits, etc.

Some of these aforementioned efforts can be achieved in part by aligning CBD upgrades to tourism priorities, thus focusing on the renovation and identification of historic buildings, promotion of tourism-based businesses, the relocation of informal traders and the development of market stalls. In addition, consideration should be given to the establishment of a heritage route, similar to the Greater Mapungubwe Heritage Route that provides a broad range of activities related to the historic buildings, sites and attractions in the area that may be partnered with local tourism operations.

Annual Expo/festival/event - The Thabazimbi LM currently plays host to two main events, the Thabazimbi LM game and Tourism Expo and the Oppikoppi Music Festival.

There is an untapped opportunity to attract visitors from Gauteng and elsewhere in South Africa as well as provide year round marketing for the area. The establishment of a large-scale event or festival must however incorporate local tourism operators and business owners, both in the planning and hosting. The event should also draw on the existing advantages and attraction in the region such as hiking, food, crafts, art and antiques.

Existing, smaller events and festivals such as the Thabazimbi LM Wildsfees, the Kuierfees and the Koedoeffees could either serve as a base from which a larger event can grow, or should be utilised to promote a separate bigger event that will attract not only local festive goers, but also domestic and international tourists. Finally, it is worth mentioning the consideration that was given in the Thabazimbi LM IDP to the reinstatement of the Ketapele Jazz Festival. This opportunity should be further investigated to ascertain the economic

viability of reinstating the festival to attract jazz music lovers to the area.

The economic impact of tourism on the Municipal economy goes well beyond output and employment in accommodation and restaurants. The following is a short summary of some of the additional direct and indirect impacts of tourism which are difficult to quantify but are nevertheless important drivers of economic growth.

- **Direct Economic Impacts:** In addition to accommodation and catering/restaurants the tourism industry generates significant revenue and employment in local gift shops and antique stores. There is also added tourism spending at local grocers, petrol stations, chemists and clothing shops among others.
- **Indirect Economic Impacts:** The tourism industry also provides indirect economic impacts which result in greater output and employment. The consumption of final goods and services by tourists stimulates higher demand from local primary producers including farmers, furniture manufacturers and those producing food and drinks. Because tourism boosts business development it also increases local tax revenue. Finally, tourism activity enhances the total wage bill in the Municipality thus driving greater consumption.

6.3.4.4 Funding and Support

The tourism industry offers an important opportunity for small business development and job creation, especially in smaller urban centres and rural communities. To further exploit this opportunity government has developed several agencies and organisation which provide non-financial and financial support for tourism SMEs. The purpose of this sub-section is to provide an overview of these entities with the intention of highlighting the significant opportunities available for tourism development.

There are several organisations and departments that support tourism SMMEs and promote the interests of tourism in South Africa and Limpopo. These organisations and the support they provide are summarised below.

Tourism Enterprise Partnership (TEP)

The TEP is funded and supported by the national Department of Tourism. The programme facilitates growth, development and sustainability in small tourism businesses. This is achieved through a number of products and services that provide hands-on, step-by-step support and guidance, ultimately leading to improved product quality, operational efficiency and market reach. The primary services provided by TEP include:

- Access to information through an online portal and workshops.
- Support for business registration, development and funding.
- Skills development including a leadership programme, mentorship, workshops and learning networks.
- Improved access to tourism markets.

National Department of Tourism – Tourism Support Programme (TSP)

The TSP was launched by the DTI in 2008/2009 to provide cash grants for the development of tourism SMMEs, black economic empowerment and the spread of tourism investment. In 2012 the DTI closed the TSP and transferred it to the National Department of Tourism. A new inventive programme will be established in 2014 with revised criteria and a focus on improving awareness and the acceptance of new applications.

International Tourism Marketing Aid Schemes (Itmas)

The ITMAS programme is aimed at partially compensating SMMEs for certain costs incurred in respect of activities aimed at promoting tourism to South Africa.

The following types of assistance is provided:

1. International exhibition assistance.
2. Production and distribution of international marketing material.

Limpopo Tourism Agency

Limpopo tourism provides exceptional marketing for the regional tourism industry on its website. This includes the promotion of local activities and events, linkages to accommodation and tourism packages and information on regional routes. It is therefore important that all future tourism interventions in the TLM are also marketed on the Limpopo tourism website.

Poverty Relief Fund

The Poverty Relief Fund was established by government to alleviate poverty in South Africa. The Tourism Branch within the Department of Environmental Affairs and Tourism was allocated funding to support projects of a tourism nature. The fund is aimed at:

- Creating jobs through the development of tourism infrastructure
- Development of new tourism products
- Provision of training and capacity building
- Ensuring that the projects are sustainable in the long term

Small Medium Enterprise Development Programme

The Enterprise Organisation from the dti offers a cash grant to tourism related enterprises within South Africa. These enterprises may be new or undergoing significant expansions of their operations.

Industrial Development Corporation

The IDC's Tourism Business Unit finances institutions offering accommodation to bona fide tourist & other capital intensive tourism projects with potential to significantly impact on the growth of the tourism industry.

Limpopo Business Support Agency

Central to the mandate of LIBSA, it is its role to promote enterprises in the sectors of Mining, Tourism, Agriculture, Manufacturing and Construction and Information Communication Technology into the mainstream economy. LIBSA co-ordinates and implements innovative business support programmes through:

- Co-operatives development and support.
- Business incubation.
- Business information dissemination.
- Business advisory services.
- Capacity development programmes.

Limpopo Economic Development Agency (LEDA)

LEDA is a social and economic development enterprise, operating within the Limpopo province. As such, LEDA delivers the following key services to its constituency :

- Enterprise development.
- Housing finance and assistance.
- Mining.
- Public transport.
- Investments and other projects.

IDC Tourism Finance

The goal of IDC Tourism Finance is to contribute to government's strategy for the tourism industry, participate in the establishment of good quality hotels in South Africa and the rest of Africa and diversify the portfolio into other sub-sectors such as cultural and heritage products, arts and crafts and business tourism.

DBSA Jobs Fund

The fund will, on a competitive basis, consider co-financing proposals from private sector, non-governmental organisations, government departments and municipalities that show economic development potentially linked to sustainable job creation.

Table 29: Tourism Programmes and Projects

Programme	Projects		
	Public	Community	Commercial
Exploit Existing Opportunities	<ul style="list-style-type: none"> • Develop Game Farming and Hunting industries • Extend Waterberg Biosphere • Promote Nature Reserves • Develop tourism transport service • Rebuild and maintain roads • Erect more visible road signage • Provide better internet service for better communication • Provide training in IT 	<ul style="list-style-type: none"> • Heritage-based and cultural tourism • Promote more arts and crafts 	<ul style="list-style-type: none"> • Eco-tourism • Establish facilities for hunters families • Mining tours/informative visits
Marketing	<ul style="list-style-type: none"> • Develop an effective and focused marketing strategy 		<ul style="list-style-type: none"> • Create a tourism based website for Thabazimbi
Support Structures	<ul style="list-style-type: none"> • Increase TTA involvement in local government decision making • New regulations for categorization and regulation of businesses • Provide more financial and nonfinancial support for tourism entrepreneurs • Develop criteria for mines to use to pick projects to support and fund • Get rid of or lessen the red tape around funding • Promote more BBBEE involvement • Make support available to businesses who are not able to participate in BBBEE 		<ul style="list-style-type: none"> • Create a Tourism Database
Encourage Tourism Entrepreneurship	<ul style="list-style-type: none"> • Develop hospitality training facilities 		<ul style="list-style-type: none"> • Develop work experience programs for youth
Current Projects	<ul style="list-style-type: none"> • Development of Thabazimbi market stalls • Develop a unique branding image for Thabazimbi • Tourism development support and marketing • SMMEs and Cooperatives support 		<ul style="list-style-type: none"> • Coordinate Thabazimbi EXPO and music festival (Oppikoppi)
Game Changers	<ul style="list-style-type: none"> • Tourism Marketing Campaign • Market region as a Tourism Destination • Increase tourist impact of nature reserves • Promote heritage and cultural tourism 		<ul style="list-style-type: none"> • Game Farming • Development of a Tourism Database • Annual Expo/Festival/Event

Source: Urban-Econ, 2014

6.3.5 Trade and SMME

6.3.5.1 Programmes and Projects

6.3.5.1.1 "Buy Local" Initiatives

The Thabazimbi Local Municipality, in conjunction with local organisations such as Thabazimbi LM Business Chamber, should actively promote local buying initiatives. Large business, such as the local mines, should be encouraged to offer preferential procurement from local business. One of a small business owners most strategic, and potentially profitable relationships, is the one he establishes with fellow business owners. When business owners offer complementary services, they can form partnerships to help them reach new customers and expand the products and services they offer. These local partnerships help businesses increase their visibility and build customer loyalty.

Project: Create a Local Business Directory

Assemble a directory of all local businesses and their main products. Several local directories are already in existence. Although some of these directories have up to 450 local businesses, they lack in substance. These role-players and their directories should be utilised in the creation of a directory that focus on the quality of information. The directory should include business details, including products and service ranges, contact details, key personal, etc.

The list should be distributed widely via as many channels as possible. Role-players that already have their own lists, can utilise the master directory to expand their own. The Thabazimbi Local Municipality may consider printing their own directories for specific purposes, such as Tourism, Investment Marketing or to encourage local buying.

To encourage local buying, the directory should be have an introduction with articles about the benefits of buying from local merchants and producers. Write profiles of

selected local entrepreneurs, emphasizing their connections to the community. List non-profits and essential services in order to create a comprehensive resource for your local community. Support the publication by selling advertising to local companies. Include coupons for discounted products available at local stores.

Project: Advertising Campaign promoting local business

Develop an advertising campaign aimed at promoting local businesses. Focus your ads on the message that supporting local businesses is beneficial to the community as a whole, and showcase specific local businesses to put a face on the idea. Place advertisements in venues compatible with the idea of building community, such as on taxi stands and municipal notice boards. Place ads in publications tailored to a conscious local audience, such as neighbourhood newspapers and co-op newsletters.

Project: Local Coupon Initiative

Create a local coupon initiative that provides local business the opportunity to incentivise local residence to purchase from them. There are different types of coupons such as discounts (in Rand or percentage), free shipping, buy-one get-one free, first-time customer coupons, free trial offer, launch offers, festival offers and free giveaways, bulk buying discounts, midweek or day specific offers, etc. The business will select their own discount criteria, which will be clearly stated on the coupon as part of the terms and conditions. Coupons will only be valid for a limited period of time.

The coupons would be published as a monthly coupon booklet that can be sold to residents, or will be distributed via the town's local weekly publication, e.g. *Die Kwêvoël*.

Project: Strengthen and develop local businesses, such as existing leather, tanning and taxidermy industry

The Thabazimbi LM has many buying leakages as many of its citizen's venture outside the municipality to do the majority of their shopping. It is therefore very important for Thabazimbi LM to strengthen and develop the local businesses that are present, such as the existing leather, tanning and taxidermy industries in order to keep more business within the municipality. Strengthening these businesses will lead to a constant supplier of leather in the municipality which can then be used to create products such as leather jackets, handbags, watch straps, shoes, belts, wallets, briefcases, leather furniture, horse halters and saddles.

6.3.5.1.2 Encourage SMME and Entrepreneurship

The Thabazimbi LM currently has very few manufacturers or businesses that create finished goods from raw materials. To enter this sphere of the economy, you don't have to aspire to mass production or nationwide distribution. Many secondary local businesses can enter their market with little cost or effort and can earn more by marketing their goods as custom-made, hand-crafted, made from fresh or locally grown produce or distinctive from merchandise with a broader appeal.

Project: Encourage Entrepreneurial Efforts in schools

In the academic realm most students are taught to avoid failure at all costs. That is fine when it comes to memorising and mastering known information, but it doesn't promote the kind of thinking that's going to creating a profitable company or becoming an entrepreneur.

Encouraging entrepreneurship starts at school level. Contrasting to the academic realm, entrepreneurialism forces young adults away from their knee-jerk failure

avoidance behaviours. Students need to be encouraged to learn the ability to think creatively and pursue new avenues.

School entrepreneur days is an effective way to promote entrepreneurship in a relative safe environment. An important learning to students will be that not all entrepreneurial enterprises are successful. The school needs to put emphasis on teaching students how to fail, which will include learning from your mistakes and to reinvent.

Project: Encourage Entrepreneurial Efforts among Community

Entrepreneurs tend to be jacks of all trades and will require knowledge and skills within many areas, like finance, communication, organisational and time management skills, marketing and sales. They must be willing to learn as they go, shift with the market and work until they drop.

Project: Upgrade Informal Trader Stalls

There are limited facilities for street vendors to use within the Thabazimbi LM. This lack of facilities greatly limits their accessibility to the market and thus acts as an unnecessary obstacle to their success. The municipality should look to upgrade informal traders' stalls so that the traders can better reach their target markets as better looking stalls will result in additional people wanting to approach and buy from them. The municipality should also support informal traders by providing small business education support as well as safe storage facilities for the traders.

Project: Create New Markets by providing online support

A trade resource not currently being utilised by the Thabazimbi LM is the online marketplace. Businesses within the Thabazimbi LM will be able to reach a much greater customer base if they promote their products online. They will reach not only local customers, but also customers from around the world who may be interested in

the products the municipality has to offer. Widening the potential area for sales is a good way for the businesses of the municipality to become more profitable and thus help immensely in growing the economy of the LM.

Project: Enterprise zones and Incubation Hubs

One way to encourage entrepreneurship is through enterprise zones. Enterprise zones are specific geographic areas to which governments try to attract private business investment by offering lower taxes and other government support. The government could have a significant effect on entrepreneurship by offering investment tax credits that would give tax breaks to businesses that make the kind of investments that would create jobs. Incubators are centres that offer new businesses low-cost offices with basic business services such as accounting, legal advice, and secretarial help.

Project: Establish a Recycling Plant

The Thabazimbi LM has many problems in achieving proper and adequate waste management. There are not sufficient disposal sites to service the whole municipality and most dumping sites that are present are at capacity. Illegal dumping is also taking place within both urban and rural settlements which serves to exacerbate the waste problem. A possible solution to this situation is the establishment of a recycling plant. This plant will recycle many of the material currently being thrown in the dumps, thus reducing the disposable waste and decreasing the waste burden on the overflowing landfills of the municipality. At its most basic, the recycling plant will provide income to the community and assist in cleaning up the municipality.

Project: Establish a venison based, red meat packaging industry

In order to take advantage of the world trend of moving to a healthier alternative to

red meat, the Thabazimbi LM should develop ways capitalise on this trend the best. One such development is to establish a venison-based, red meat packing industry that includes both manufacturing and packaging components. The development of this industry, with all its connecting opportunities, will provide many much needed employment opportunities to the citizens of the municipality.

Project: Establish businesses that will create finished goods from raw materials found within Thabazimbi LM

One of the main factors that are restricting the development of the Thabazimbi LM economy is the fact that the Thabazimbi LM is severely lacking in businesses that can create finished products from the raw materials produced within the municipality. In order to stop the leakages from the Thabazimbi LM economy that have inevitably followed from this deficiency, the municipality needs to emphasise development of local businesses that can handle the raw materials of the LM, thus keeping more capital and more profit within the municipality which it can use to the benefit of its citizens.

6.3.5.1.3 Promoting the Thabazimbi LM

Project: Define the Thabazimbi LM Brand as an investment opportunity

In order to get all the funding that will be required to properly develop the Thabazimbi LM, outside investors will have to be found. These investors will only be tempted to assist in development projects if they feel they are making a worthwhile investment. To ensure that investors experience that required feeling, Thabazimbi LM must define its "Thabazimbi LM Brand" as an important and lucrative investment opportunity. The Thabazimbi LM brand must entice investors into providing the much needed support for the growth and development of the municipality.

Project: Change Negative Perception

At present, the Thabazimbi LM does not have a very good reputation as a destination, either for business or pleasure. The crime rates are reputed to be high and the roads are poor and the general atmosphere of the town is not altogether welcoming to a visitor. In order for the Thabazimbi LM to attract more visitors to the LM, the municipality as well as its citizens, must devise a method of changing the negative perception of Thabazimbi LM that is held by the general public. The municipality must promote the LM in a whole new light, highlighting all of the positive aspects of the town and making people wish to visit.

Project: Online Marketing Campaign

A good way to start to change the image of the Thabazimbi LM is through an online marketing campaign. This type of campaign will reach the widest audience, both locally and internationally and will thus be the best platform for the Thabazimbi LM to use to attract people to the municipality.

Project: Trade and Investment Focused website

The Thabazimbi LM should also look into the establishment of a trade and investment focused website that is separate from the other sites concerning the municipality. This site should be developed with the aim of attracting potential investors to the LM, by highlighting all the investment and trade opportunities that the Thabazimbi LM has to offer a savvy investor. The goal of the website should be to provide supporters and funders to the development projects of the municipality that are the most in need of funding.

6.3.5.1.4 Support Structures

Project: Create a Trade Park for day labourers

The municipality should put emphasis on the creation of a Trade Park for day

labourers. The Trade Park will provide a formal structure for day labourers with regard to registering their skills and will provide them with an area that protects them from the elements as they wait for employment. The Trade Park will make it easier for people in need of day labourers to find those with the skills that they require for their jobs. In order for the Trade Park to work fairly for everyone who makes use of it, the municipality needs to develop a way to establish a fair and competitive wage for the workers.

Project: Construct centres that combine trade and tourism

In order for the Thabazimbi LM to make the most of its trade and tourism markets, it should establish centres that combine these two markets. These centres should be similar in structure to that of the Hartbeespoort Dam, namely, they should include some type of covered area with stalls available for different informal traders to sell their products that makes it convenient and enticing for tourists to visit. This will thus increase the traffic of informal traders, increasing their sales, increasing tourism and helping with the growth of the LM's economy.

Project: Increase local business' access to information

At present, local businesses have poor access to necessary information, which is creating an unnecessary barrier to their operations. In order for these businesses to be run more efficiently and legally, the information that they require to do so should be made readily and easily available to them. The municipality can achieve this by increasing businesses' awareness of where such information can be found and by actively trying to ensure that all those who should know the information have the proper access to it.

6.3.5.2 Current LEDs

Provision of market stalls in the Thabazimbi LM

The Thabazimbi LM is currently focusing on providing market stalls in the Thabazimbi LM self at the taxi rank in Ward 1. The municipality is also in the process of providing market stalls near the hospital in Ward 9. The project is in its feasibility stage, with potential funding currently being sourced. There will be 28 beneficiaries of this project and the main driver and role players for this endeavour include the Manager PED, the private sector, AngloGroup and PPC Dwaalboom.

Establish a Business Development Centre (Incubation Centre)

The focus of this project is on artisan/technical skills, such as those required by boiler makers, electricians, etc. It also focuses on the provision of small business administration skills. The project will have 150 beneficiaries per annum and is still in its planning stage as it remains in need of sufficient funding to begin. The Business Development Centre will be located in Ward 10 and the main driver and role-players of its development will be Manager PED, the DTI, the private sector, AngloGroup and PPC Dwaalboom.

LED Support (Skills Development for emerging SMMEs and emerging farmers)

The long-term goal of the provision of LED support is to create a FET facility. The short term goal includes training programmes for SMMEs and emerging farmers. This is an ongoing project that has 80 beneficiaries per annum. The main skills development is taking place within the Thabazimbi town and Northam town. The main driver and role players responsible for the success of this endeavour include the Manager PED, SEDA, LEDA, the DTI, TIL, the private sector, AngloGroup and PPC Dwaalboom.

6.3.5.3 Potential Game Changers

Development of Training Centres - The development of training centres to educate and up-skill the local workforce regarding the skills and mind-set necessary for successful entrepreneurship is an important game changer for the Trade and SMME sector. Providing the local workforce with the skills and knowledge that they will need in order to start and run successful businesses will help to grow the economy of the Thabazimbi LM as more of its citizens will be provided with employment opportunities. Many of these opportunities will be created by the citizens themselves as they pursue their passions to start their businesses. This will lead to an extra benefit of increasing the overall happiness of the local community in the sense that now, those who are working are doing what they love, which should make them a little happier with their life in general thus giving the municipality a more upbeat general atmosphere.

Provision of Market Stalls – The provision of market stalls for informal traders is a potential game changer for the Thabazimbi LM as there are many informal traders working within the municipality that will be benefited by this development. Providing these entrepreneurs with official and robust places to sell their products will benefit both the traders and the municipality in general as the products of the traders will be more visible and more accessible for locals, as well as the tourists who visit the municipality. This will increase the sales made by the informal traders as tourists, for instance, are more willing to buy when they are in a comfortable and convenient place. The market stalls will provide them with this feeling. The market stalls will also show the informal traders that they are not ignored or irrelevant to the municipality. By providing them with proper places to practice their business, the Thabazimbi LM will be assuring the informal traders that they are necessary and important citizens

of the municipality who are much valued by the community.

Buy Local – The initiative to buy local has huge implications for Thabazimbi LM. As previously mentioned, there is currently a great many leakages in the value chains of the different sectors of Thabazimbi LM. The way to dry up these leakages is to encourage the citizens of the municipality to buy locally, put their money back into the community that is their home and that is supporting them in their endeavour to lead wonderful lives. If more citizens of the municipality buy their necessary items from local businesses instead of traveling outside of the municipality to buy what they need, then more money will stay within Thabazimbi LM. This money can then be used to fund more development projects and more businesses so that more and more of the needs of the community can be filled locally. This will make Thabazimbi LM a much richer municipality and will support the economy's growth, which in turn will support continued development to improve the lives of those who call the Thabazimbi LM home.

Local Business Directory – The compilation of a local business directory will do many things for the municipality. Knowing how many and what kind of businesses are present in the municipality will allow the Thabazimbi LM to better be able to determine what gaps are present in the business sector. The municipality can then encourage the start-up of those businesses that the municipality is lacking, thus providing the Thabazimbi LM with a richer, more diverse business-scape which will aid its citizens in being able to purchase what they need locally, thus supporting the aims of local buying of keeping money within the municipality and increasing convenience for its citizens. The knowledge of the nature of businesses operating within the Thabazimbi LM will also be helpful in terms of creating youth work programmes. Specific businesses that may be the best

candidates for these types of programmes will be easier to approach if they are already known by the municipality. This will allow more businesses to be involved in the programmes, which will give youth who participate in the programmes a wider range of businesses to choose from when deciding where they would like to gain experience, thus increasing the likelihood that they will find one that they are interested in and will actively want to gain experience from thus building the next generation of entrepreneurs more successfully than if the choices for the youth are very limited and those who wish to participate in the programmes are forced to work in businesses they have no interest in which would ultimately make the programme a failure as it would not excite or encourage the youth to become part of the business world as entrepreneurs in their own right.

6.3.5.4 Funding and Support

The South African government provides a range of financial and non-financial support initiatives to small business, summarised below.

This support is administered primarily through the Department of Trade and Industry (DTI) and the Industrial Development Corporation (IDC), although other agencies are involved. There are also several private support initiatives undertaken as either a revenue generating activity or through Corporate Social Investment (CSI).

Small Enterprise Development Agency (SEDA)

SEDA's mission is to develop, support and promote small enterprises throughout the country. The specific objectives of SEDA include:

- Improve access to finance by providing businesses with information, assisting with business plans and offering direct incentives.

- Reduce regulatory barriers by identifying bottlenecks and collaborating with government to address key issues.
- Expand market opportunities by providing information, removing barriers to market entry and identifying areas with small business potential.
- Provide information, training and advice through regional offices.

National Empowerment Fund (NEF)

The NEF is committed to promoting BBBEE by providing financial and non-financial support to black empowered businesses. Non-financial support provided by the NEF includes funding advice, application support and business plan development. The NEF also administers the following four development funds:

- iMbewu Fund: Designed to support black entrepreneurs wishing to start new businesses and those in need of expansion capital.
- uMnotho Fund: Designed to improve access to capital for black-owned and managed enterprises.
- Rural and Community Development Fund: Funds rural enterprises through four key products namely project finance; business acquisition; expansion capital; and start-up/Greenfields.
- Strategic Projects Fund: Promotes black participation in opportunities at the outset of projects, as opposed to doing so during equity closure.

IDC – Grow-E Scheme

The IDC Grow-E Scheme offers R10 billion in financial support to start-up businesses, including funding for buildings, equipment and working capital. The scheme also supports successful small businesses wishing to expand with the caveat that they will create sustainable employment opportunities.

Limpopo Business Support Agency

Central to the mandate of LIBSA, it is its role to promote enterprises in the sectors of mining, tourism, agriculture, manufacturing and construction and information communication technology into the mainstream economy. LIBSA co-ordinates and implements innovative business support programmes through:

- Co-operatives development and support.
- Business incubation.
- Business information dissemination.
- Business advisory services.
- Capacity development programmes.

Limpopo Economic Development Agency

LEDA is a social and economic development enterprise, operating within the Limpopo province. As such, LEDA delivers the following key services to its constituency:

- Enterprise development.
- Housing finance and assistance.
- Mining.
- Public transport.
- Investments and other projects.

Small Enterprise Finance Agency (SOF) Ltd.

The Small Enterprise Finance Agency (SOF) Ltd commonly known as SEFA was established on 1 April 2012 as a result of the merger of the South African Micro Apex Fund, Khula Enterprise Finance Ltd and the small business activities of IDC.

Trade and Investment Limpopo Small Medium Enterprise Development Programme

The programme provides incentives to new projects or the expansion of existing projects in manufacturing, high value agriculture, agro-processing and tourism.

Skills Support Programme

The SSP is an incentive scheme that supports enterprises in developing and delivering training to their employees.

Export Marketing and Investment Assistance (EMIA) Scheme

The aim of EMIA is to assist South African exporters in establishing export markets for their products and to attract foreign investment into South Africa through the following schemes:

- National pavilions.
- Individual participation in exhibitions.
- Outward investment and selling missions.
- Inward buying and investment missions.
- Individual inward missions.
- Foreign direct investment.
- Primary market research.

Manufacturing Competitiveness Enhancement Programme (MCEP)

The MCEP is one of the key action programmes of the Industrial Policy Action Plan (IPAP) 2012/13 – 2014/15 and will provide enhanced manufacturing support aimed at encouraging manufacturers to upgrade their production facilities in a manner that sustains employment and maximises value-addition in the short to medium term.

The MCEP comprises two sub-programmes:

1. The Production Incentive (PI).
2. The Industrial Financing Loan Facilities which will be managed by the **dti** and the Industrial Development Corporation respectively.

Black Business Supplier Development Programme

The BBSDP offers cost-sharing grants to black-owned SMEs to increase their competitiveness, sustainability and job creation.

National Empowerment Fund

The NEF advances BBBEE through transformation and funding solutions to increase the economic participation of black owned businesses and entrepreneurs.

Grofin

Grofin is a private multi-national organisation that provides finance and support to small and medium enterprises in all sectors.

Business Partners Limited

Business Partners Limited provides specialist financing from R250,000 to R20 million, as well as mentorship for small and medium businesses in all major sectors.

The Manufacturing Investment Programme

The MIP provides incentives to stimulate investment in the manufacturing sector that will increase sector sustainability and promote job creation.

The Co-Operatives Incentive Scheme

The CIS is a 90:10 matching cash grant for primary co-operatives to improve the viability and competitiveness of co-op enterprises by lowering the cost of doing business.

South African Women Entrepreneurs Network

SAWEN is a networking forum for individuals and organisations committed to the promotion and advancement of female entrepreneurs.

National Small Business Chamber

The NSBC represents South Africa's small and medium-sized business sector. It offers expert advice and other benefits to self-employed and small-business owners, and publishes a weekly e- magazine. Runs the annual Small Business Champion awards.

Waterberg Chamber of Commerce

The Waterberg Chamber of Commerce is a non-political business organisation, which accommodates all the implications of the corporate framework. Chambers of commerce play an important role in Local Municipalities in promoting business activity and representing chamber members. At least at local level, chamber of commerce members often meet to discuss and attempt to shape policy that relates to the business and overall economic environment. Members also receive the distinction of being a preferred local vendor, as well as listing on various municipal websites and literature.

Bela-Bela Chamber of Commerce

Chambers of commerce play an important role in Local Municipalities in promoting business activity and representing chamber members. At least at local level, chamber of commerce members often meet to discuss and attempt to shape policy that relates to the business and overall economic environment. Members also receive the distinction of being a preferred local vendor, as well as listing on various municipal websites and literature.

DBSA Jobs Fund

The fund will, on a competitive basis, consider co-financing proposals from private sector, non-governmental organisations, government departments and municipalities that show economic development potential linked to sustainable job creation.

Local Government Support Fund

The fund supports local government to create an enabling environment for local economic development. Non-governmental organisations (NGOs) partnering with local government can apply for funds in the following areas:

- Local consultation exercise.
- Research.
- Technical assistance.

- Training.
- Study tours.
- Limited capital equipment.
- Project management tools.

Expanded Public Works Programme

The programme is a key government initiative, which contributes to Governments Policy Priorities in terms of decent work and sustainable livelihoods; education; health; rural development; food security; land reform; and the fight against crime & corruption. EPWP subscribes to outcome four which states "*Decent employment through inclusive economic growth.*"

Table 30: Trade and SMME Programmes and Projects

Programme	Projects		
	Public	Community	Commercial
“Buy Local” Initiatives	<ul style="list-style-type: none"> Advertising campaign promoting local business Strengthen and Develop local businesses 		<ul style="list-style-type: none"> Create a Local Business Directory Local coupon initiative
Encourage SMME and Entrepreneurship	<ul style="list-style-type: none"> Encourage Entrepreneurship efforts in schools Encourage Entrepreneurship efforts among community Upgrade Informal Trader Stalls Create New Markets by providing online support Enterprise Zones and Incubation Hubs 		<ul style="list-style-type: none"> Establish a Recycling Plant Establish a venison based, red meat packaging industry Establish businesses that will create finished goods from raw materials found within Thabazimbi
Promoting Thabazimbi	<ul style="list-style-type: none"> Change negative perception 		<ul style="list-style-type: none"> Define the Thabazimbi Brand as an investment opportunity Online marketing campaign Trade and Investment focused website
Support Structures	<ul style="list-style-type: none"> Create a Trade Park for day labourers Construct centres that combine trade and tourism Increase local business’ access to information 		
Current Projects	<ul style="list-style-type: none"> Provision of market stalls in Thabazimbi Establish a Business Development Centre (Incubation Centre) LED Support 		
Game Changers	<ul style="list-style-type: none"> Training Centres Provision of Market Stalls 		<ul style="list-style-type: none"> Local beneficiation of raw materials produced in Thabazimbi Local Business Directory

Source: Urban-Econ, 2014

6.3.6 Transport

6.3.6.1 Programmes and Projects

6.3.6.1.1 Maintenance

Project: Identify and maintain key trade, mining and tourist routes

A great deal of the success of the main sectors of the economy depends on properly maintained transport infrastructure. Therefore, it is of utmost importance that the municipality place an emphasis on identifying those roads that are the most essential to successful trade, mining and tourism within the Thabazimbi LM and work to maintain these roads in perfect functional condition.

Project: Maintain and pave roads to rural communities

Rural communities of Thabazimbi LM are largely isolated from surrounding areas and Thabazimbi town in particular. The roads leading to and from rural communities are mostly loose gravel or simple sand if they exist at all. Therefore, the municipality should make it a priority to maintain and pave the roads leading to and from these communities so as to ensure that they are accessible.

Project: Reinforce roads to compensate for heavy road freight

The predominant means for transport of freight in Thabazimbi LM by trucking means is through the use of heavy vehicles. These delivery methods are causing significant damage to the road surfaces in the LM, which leads to additional capital expenditure by the municipality on road maintenance. In order to lessen this expenditure in the long run, the municipality should endeavour to reinforce the roads so as to compensate for these heavy freight vehicles and lessen the annual maintenance and damage that is done to main routes.

Project: Improve and maintain the storm water drainage system

When heavy rains come to Thabazimbi LM, the poor storm water drainage systems hamper road traffic and cause massive infrastructural damage to the roads. In order to lessen the impact of the storm waters, the municipality needs to develop better drainage systems that will adequately handle the quantity of storm water the municipality receives, thus reducing the damage to the roads and allowing the traffic to move better.

6.3.6.1.2 Transformation

Project: Upgrade taxi ranks and ablution facilities in identified areas

At present, there are no public ablution facilities in the Thabazimbi LM available, for instance, for tourists to use. To make the LM more tourist and local friendly, the municipality should construct ablution facilities in such places that would be the most convenient to those who would make use of them, such as near taxi ranks.

The taxi industry of the Thabazimbi LM is the main mode of transport for the majority of the populations. As such, it should be a priority of the municipality to ensure that the facilities in use by the taxis and their passengers are kept in good repair. The taxi ranks in specific identified areas, such as those that have the most frequent use, need to be upgraded so they can continue to function well for a long time yet.

Project: Increase usage of rail infrastructure

The existing rail infrastructure within the Thabazimbi LM is in relatively good condition. As such, it becomes clear that these readily available and functioning lines of transport need to be more fully utilised by the municipality, especially in term of the transport of grain/other agricultural and mining products.

Project: Transform unused rail lines into tourism facilities

Some of the existing rail infrastructure in the municipality that is no longer in use can be transformed for use by the tourism sector. For example, a passenger rail could be developed that would connect neighbouring towns or a day trip steam train service could be devised to be offered as a tourist attraction.

Project: Utilise railway line at Northam and Thabazimbi LM

The railway line at Northam and Thabazimbi LM have great potential for continued use, however the coal train that is currently making use of the line is going to stop running soon and the line will be woefully underutilised. In order to revitalise this railway line and keep it a useful piece of Thabazimbi LM's infrastructure, the municipality should encourage the establishment of businesses and industries that are dependent on mass transport for goods. This need can be in the form of input products for manufacturing processes or in the form of finished goods to be delivered.

Project: Production of Bio-diesel and bio-ethanol

The municipality should encourage entrepreneurs to begin production of bio-diesel and bio-ethanol as these are two of the best sources of alternative energy. Both of these types of energy can be produced from a number of plants and crops and the energy can then be used to enhance transportation methods and to lessen the effects of the electricity shortage suffered by the municipality.

6.3.6.1.3 Establish

Project: Establish public transport facilities

As previously stated, the Thabazimbi LM currently has no public transport system, other than a few taxis, that allows for easy and convenient movement of its citizens and visitors. The municipality should

develop and support the development of a public bus system, a more integrated and functional taxi service and endorse the construction of car rental services/businesses, all of which will provide the much needed transport to the citizens of the municipality as well as serving to make the stays of tourists more enjoyable so as to encourage them to return.

Project: Develop and Implement an Integrated Municipal Transport Plan

The Thabazimbi LM should put in motion the process of developing and implementing its own Integrated Municipal Transport Plan. This will serve as a commentary on the status quo of the municipality as well as providing the intended path the LM should follow in order to have the best and most efficient transport system.

Project: Establish truck stops

At present, there are no facilities that have been established for those who drive trucks to carry freight through the municipality. As road freight is the predominant form of product transport in the Thabazimbi LM, provision should be made by the municipality to establish facilities such as truck stops that will fulfil the needs trucks and their drivers may have along their routes.

Project: Construction of Weigh Bridges

Major highways that link the Thabazimbi Local Municipality with other centres of economic activity are significantly damaged or in poor state. This is primarily caused by overloading of haulage trucks. Construction of weigh bridge although it is a costly exercise will keep road infrastructure abusers at bay. Furthermore money generated may be used to repair damaged roads and lessens pressure on the Municipality's fiscus.

6.3.6.2 Current LEDs

There are currently no LED projects in Transport in the Thabazimbi LM.

6.3.6.3 Funding and Support

South Africa is host to a range of government and private entities, which provide different forms of support for transportation and logistics development and implementation in the TLM.

The following paragraphs offer an overview of identified support entities with the capacity to assist project planning and implementation in the TLM.

Transnet Pipelines

Transnet pipelines is responsible for developing, managing and maintaining South Africa's strategic pipeline assets. The opportunity therefore exists to partner with Transnet in maximising the local economic impact of this facility through local procurement, expanded infrastructure development and corporate social investment interventions.

Limpopo Department of Roads and Transport (DRT)

The Limpopo Department of Roads and Transport is responsible for policy formation, project planning and financial allocations relating to transportation development. The department is therefore an important partner in the development of large scale transport infrastructure as well as township transport development.

Limpopo Roads Infrastructure Programme

The main purpose of this programme is to promote accessibility, affordable and safe movement of people, goods and services through the construction and maintenance of roads infrastructure. The programme is primarily responsible for the construction, upgrading and maintenance of the proclaimed provincial road network and bridges and the maintenance of specified public access roads.

Roads Agency Limpopo

The RAL is a provincial road infrastructure delivery parastatal registered under the Company's Act of the Republic of South Africa.

Limpopo Province Freight Databank

The Data Bank provides one with information about authorities within the province, industries, aviation, cross border, rail and roads sectors in the province. There are no major freight pipelines identified in the province, however, this data bank will indicate the major freight pipelines in the country.

Council for Scientific and Industrial Research (CSIR)

The CSIR is one of the leading scientific and technology research, development and implementation organisations in Africa. One component of the CSIR is the Transport Systems and Operations team, which attends to the design and modelling of accessible, acceptable, available and affordable transport systems.

The four core focus areas of the Transport Systems and Operations team are:

1. Transport economics.
2. Transport infrastructure management systems.
3. Public transport systems design.
4. Logistics system analysis and supply chain engineering.

Critical Infrastructure Programme (CIP)

The CIP supports the competitiveness of South African industries by lowering business costs and risks and provides targeted financial support for physical infrastructure that will leverage strategic investment with a positive impact on the economy.

Public Transport Infrastructure and Systems Grant (PTIF)

The aim of the PTIF is to provide for accelerated planning, establishment, construction and improvement of new and existing public transport, priority transport and non-motorised transport infrastructure and systems.

Municipal Infrastructure Grant (MIG)

The MIG's goal is to supplement municipal capital budgets through the funding of basic municipal infrastructure backlogs for the provision of basic services to primarily service poor households. This infrastructure must be provided in such a way that employment is maximised and opportunities are created to support enterprise development.

Automotive Production and Development Programme (APDP)

THE APDP encourages expansion and long term development in the motor industry sector with the aim of producing 1.2 million vehicles by 2020; to encourage the use of local components by incentivising motor vehicle- and components manufacturers for improved and cost efficient production levels.

Private Sector

The development of transportation and infrastructure requires partnership with the private sector in order to access their expertise and financial resources. Potential partners include Vopak, which is currently investing in an accumulation facility adjacent to the Transnet Bulk Liquid Terminal. Other possible partners are those involved in the trucking, storage, logistics and public transportation industries.

DBSA Jobs Fund

The fund will, on a competitive basis, consider co-financing proposals from private sector, non-governmental organisations, government departments and municipalities that show economic

development potential linked to sustainable job creation.

Local Government Support Fund

The fund supports local government to create an enabling environment for local economic development. Non-governmental organisations (NGOs) partnering with local government can apply for funds in the following areas:

- Local consultation exercise.
- Research.
- Technical assistance.
- Training.
- Study tours.
- Limited capital equipment.
- Project management tools.

Expanded Public Works Programme

The programme is a key government initiative, which contributes to Governments Policy Priorities in terms of decent work and sustainable livelihoods; education; health; rural development; food security; land reform; and the fight against crime and corruption. EPWP subscribes to outcome four which states "*Decent employment through inclusive economic growth.*"

National Electrification Programme (Municipal)

The aim of the National Electrification Programme (Municipal) is to provide capital subsidies to municipalities to address the electrification backlog of permanently occupied residential dwellings, the installation of bulk infrastructure and rehabilitation of electrification infrastructure.

Council for Scientific and Industrial Research (CSIR)

The CSIR is one of the leading scientific and technology research, development and implementation organisations in Africa. One component of the CSIR is the Transport Systems and Operations team that attends to the design and modelling of accessible,

acceptable, available and affordable transport systems.

The four core focus areas of the Transport Systems and Operations team are:

1. Transport economics.
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4. Logistics system analysis and supply chain engineering.

Critical Infrastructure Programme (CIP)

The CIP supports the competitiveness of South African industries by lowering business costs and risks and provides targeted financial support for physical infrastructure that will leverage strategic investment with a positive impact on the economy.

Developmental Electricity Pricing Programme (DEPP)

DEPP contributes to economic growth and employment by attracting industrial investment projects which would, in the absence of DEPP, not invest in the Republic; by providing them with competitive internal electricity prices.

Municipal Infrastructure Grant (MIG)

MIG supplements municipal capital budgets through the funding of basic municipal infrastructure backlogs for the provision of basic services to primarily service poor households. This infrastructure must be provided in such a way that employment is maximised and opportunities are created to support enterprise development.

Neighbourhood Development Partnership Grant (NDPG)

The goal of the NDPG is to create enabling economic infrastructure in dormitory townships across South Africa that will attract private sector investment.

Industrial Policy Projects (dti)

The tax incentive provided for industrial projects is intended to promote local and

foreign direct investment in industrial policy projects in South Africa and is legislated in terms of section 12I of the Income Tax Act. R20 billion has been allocated for additional tax deductions under this new incentive, with a focus on large industrial projects.

Manufacturing Competitiveness Enhancement Programme (MCEP)

MCEP is one of the key action programmes of the Industrial Policy Action Plan (IPAP) 2012/13 – 2014/15 and will provide enhanced manufacturing support aimed at encouraging manufacturers to upgrade their production facilities in a manner that sustains employment and maximises value-addition in the short to medium-term.

The MCEP comprises two sub-programmes:

1. The Production Incentive (PI).
2. The Industrial Financing Loan Facilities that will be managed by the **dti** and the Industrial Development Corporation respectively.

Table 31: Transport Programmes and Projects

Programme	Projects		
	Public	Community	Commercial
Maintenance	<ul style="list-style-type: none"> Identify and maintain key trade, mining and tourist routes Maintain and pave roads to rural communities Reinforce roads to compensate for heavy road freight Improve and maintain the storm water drainage system 		
Transformation	<ul style="list-style-type: none"> Upgrade taxi ranks and ablution facilities in identified areas 		<ul style="list-style-type: none"> Increase usage of rail infrastructure Transform unused rail lines into tourism facilities Utilize railway line at Northam and Thabazimbi Production of Bio-diesel and bio-ethanol
Establish	<ul style="list-style-type: none"> Establish public transport facilities Develop and implement a Municipal Transport Plan Establish truck stops Construction of weigh bridges 		

Source: Urban-Econ, 2014

SECTION 7: Implementation Plan

This section presents the Implementation Plan for the projects identified in Section 6. The success of these projects will depend on the role players of Thabazimbi's ability to create a conducive economic development environment and attract investment to the area. This will require the implementation of selected turn-key projects as well as the provision of effective investment brokering activities to attract especially, private sector investment.

Successful investment facilitation will also have a significant impact on the implementation of other projects and create spin-of opportunities. Systematic targeting and negotiations with potential investors are usually left to the last phases of project implementation – resulting in less time spent on this exercise. For this reason it is central that a framework through which investors could be attracted be adopted. The Limpopo Development Agency is the ideal vehicle to serve as the basis for such a framework.

The Implementation Plan is a key component of any development strategy. It ensures that the programmes, projects and recommendations made in the strategy are effectively planned and implemented according to defined budgets and timeframes while maximising the strategies socio-economic impact.

The Implementation Plan for the Thabazimbi LM LED Strategy is comprised of two key components:

- **Identifying key interventions and priority projects** by identifying efforts required to facilitate LED and assessing the entire project portfolio.
- **Facilitating implementation** through an implementation framework, project information and guidelines.

7.1 Development Principles

Table 32 presents the primary principles according to which the implementation of programmes should be undertaken. These development principles must be followed throughout the entire implementation process as they are vitally important in light of overall community development and empowerment considerations.

Table 32 - Development Principles

PRINCIPLES	DESCRIPTIONS
<i>Sustainability</i>	Sustainability is important on terms of economic, social as well as environmental impacts. Accurate assessment of this dimension prior to the implementation of any LED initiative must be undertaken to limit the irresponsible application of resources.
<i>Broad Based Black Economic Empowerment</i>	In light of the distribution of opportunities in terms of demographic characteristics, the development of the economy should be performed against the background of national BBBEE guidelines.
<i>Employment</i>	All development projects that are implemented must be guided by employment creation as the ultimate goal of the project. In other words, where applicable labour intensive methods should be employed.
<i>Income</i>	LED initiatives must aim to better the income profile of local households and communities. As far as possible steps should be taken to ensure an equitable distribution of income emanating from projects. Good results in this regards can be observed among cooperatives and Joint Ventures.
<i>Comparative advantage</i>	The Development Pillars have been identified (from the outcomes of Project Khulis Umnotho) based on the rationale of building on local comparative advantages. Local economic sectors with such advantages will be targeted for investment and expanded upon. Investment constraints should also be mitigated through development interventions (e.g. a lack of serviced business plots).
<i>Identified needs</i>	LED Initiatives should be presented to targeted local communities and beneficiaries before implementation. The purpose of such communication is not only to obtain buy-in and support but also to identify additional community needs which the project can potentially address in a creative manner. These needs should be translated into development priorities for the implementation of projects.
<i>Investment</i>	Investment attraction from outside Lejweleputswa is important as this implies that funds are injected into the District economy. This also implies efforts to increase local levels of investment as well as the circulation of locally generated capital.
<i>Capacitation</i>	A key element to the success of LED initiatives is the availability of skills and the competency of workers. As most workers in Lejweleputswa as regarded as low to medium skilled, capacity building should form part of all projects. It is recommended that this component be addressed in the feasibility study and business plans of projects to ensure it is properly budgeted for. Contributing factors also includes business mentoring and SMME Incubation.

Development Principles Cont'd

PRINCIPLES	DESCRIPTIONS
<i>Latent potential</i>	Existing but under-utilised resources and development opportunities are regarded as latent potential. Such resources and opportunities should be utilised to implement LED projects (e.g. unused mine buildings such as workshops).
<i>Linkages</i>	Linkages in the economic development context refer to both the flow of economic goods and services as well as the communication of both government and non-government entities with each other. The business models presented in this report are all based on such linkages.
<i>Efficiency</i>	Efficiency improvement can be regarded as the increase in the rate at which work (or specific tasks) is completed. This concept focuses on the outcomes that must be achieved. An overall improvement of efficiency is central to the Implementation Plan and applicable to all role players in Lejweleputswa. This term is viewed as “ doing things right ”. The road to improved efficiency can be achieved through rethinking institutional mandates and organisational arrangements (such as task teams and institutional systems), as well as implementing LED projects in accordance with most appropriate business models.
<i>Effectiveness</i>	Closely related to efficiency is effectiveness. This term is, however, aimed at the improvement of the relationship between the outputs and the energy or inputs required to perform a specific task. Therefore, the focus should be “ doing things right with less ”. This concept is central to LED which will always be faced with resource constraints. Effectiveness in economic development is achieved through a partnership between role players and creative thinking.
<i>Poverty alleviation</i>	Specific focus should be placed on poverty alleviation throughout the implementation process. Although market forces would determine the optimal location of investment, communities subject to poverty and hardship should always be considered during project planning. If market forces dictate that a project will not be feasible in such an area the business plan must outline how the initiative will benefit those who are most disadvantaged in Lejweleputswa society.

7.2 Development Programmes and Projects

7.2.1 Institutional Development

1. Investor Forum
2. Meet with Mines
3. Restructure LED Directorate
4. Increase Civil Society Involvement

7.2.2 Mining

1. Upgrades and Extensions

- Upgrade road access
- Water source development
- Education and skills development
- Improved service delivery for residential development around mines
- Encouraging local buying
- Implementation of the Mining Charter
- Existing and new Platinum mines
- Down-stream activities
- Mining of unexploited mineral deposits
- Value adding to raw materials mined in Thabazimbi through local beneficiation

2. Northam Industrial and Warehousing Park

- Convert Northam station into an industrial Warehousing Park
- Wholesale and Warehousing
- Catalytic Converter Component Manufacturing Plant

3. Manage Mining Impacts

- Support mining as key employer in Thabazimbi
- Joint determination of social development priorities and joint social development planning
- Management of pollution risk of mining to public health and to surface and groundwater resources with effective public oversight
- Reed and grass production and harvesting
- Catfish production
- Earthworm farming
- Pomegranate and vegetable juice production

- Bio-diesel production, production of animal feed and fertilizer
- Production of dimension stone and sand

4. Management of Impact of Mine Labour Practices on Local Host Community

- Adoption of explicit Local Mining Sector Labour Plan
- Establish an inclusive standing Mining Sector Cluster Forum

5. Logistics/Supply Chain Activities

- Establishment of Local Sector Linkage Points
- Capacity development of local supplier base
- Adoption of an explicit preferential Mining Sector Local Procurement Plan

7.2.3 Agriculture

1. Livestock Subsector

- Improve animal productivity
- Improving animal health and quality services
- Improving market access to farmers
- Establishing animal disease control and prevention posts
- Encourage communal farmers to participate in commercial agriculture
- Educate small farmers on the dangers of indiscriminate animal breeding
- Beef cattle production feedlots
- Extensive cattle production
- Intensive pork production
- Intensive poultry production
- Production and packaging of game meats

2. Horticulture

- Strengthening and capacitating extension services to farmers
- Strengthen agricultural cooperatives
- Enhancing farmers access to credit
- Enhancing market access
- Develop agro-processing industries

3. Industrial Crops Subsector

- Develop agro-processing industries
- Strengthen and capacitating agricultural extension and training
- Decrease cost of input costs to persuade more farmers to grow
- Provide better road infrastructure
- Provide better access to agricultural information
- Electricity from burning of crop stubble or wood
- Mechanization units in each production ward
- Increase number of post-harvest handling facilities
- Increase credit lines available to farmers
- Promote increased and efficient fertilizer usage
- Increase levels of technology adoption by small farmers
- Construct a local fertilizer manufacturing plant
- Production of crops rich in oils
- Grow and market crops for use as seasoning or in salad dressing
- Use oil to make products
- Domestic heat from Bio-ethanol gel, charcoal, wood pellets and biogas

4. Game Farming and Eco-Tourism Subsector

- Strengthen game and eco-tourism research, extension and training
- Implement game and eco-tourism flagship projects
- Improve market access for tourism products
- Establish animal disease and control posts
- Build and maintain road infrastructure

5. Awareness and Support Structures

- Developing agricultural cooperatives
- Tenure security awareness campaigns
- Youth agricultural awareness programs
- Land reform PLAS programme

- Agricultural pollution incentives and awareness campaigns
- Agricultural excellence centre
- Developing of synergies with agricultural financiers
- Development of agro-processing industries
- Increase availability of agricultural extension offices for emerging farmers
- Create legislation for land procurement for development

6. Current Projects

- Organic farming: Agro-processing and vegetable packaging

7.2.4 Tourism

1. Exploit Existing Opportunities

- Develop game farming and hunting industries
- Extend Waterberg Biosphere
- Promote Nature Reserves
- Develop tourism transport service
- Rebuild and maintain roads
- Erect more visible road signage
- Provide better internet service for better communication
- Provide training in IT
- Heritage-based and cultural tourism
- Promote more arts and crafts
- Eco-tourism
- Establish facilities for hunters' families
- Mining tours/Informative visits

2. Marketing

- Develop an effective and focused marketing strategy
- Create a tourism based website for Thabazimbi

3. Support Structures

- Increase TTA involvement in local government decision making
- New regulations for categorization and regulation of businesses
- Provide more financial and nonfinancial support for tourism entrepreneurs
- Develop criteria for mines to use to pick projects to support and fund
- Get rid of or lessen the red tape around funding

- Promote more BBBEE involvement
- Make support available to businesses who are not able to participate in BBBEE
- Create a Tourism Database

4. Encourage Tourism Entrepreneurs

- Develop hospitality training facilities
- Develop work experience programmes for youth

5. Current Projects

- Development of Thabazimbi market stalls
- Develop a unique branding image for Thabazimbi
- Tourism development support and marketing
- SMMEs and Cooperatives support
- Coordinate Thabazimbi EXPO and music festival (Oppikoppi)

7.2.5 Trade and SMME

1. “Buy Local” Initiatives

- Advertising campaign promoting local business
- Strengthen and develop local businesses
- Create a Local Business Directory
- Local coupon initiative

2. Encourage SMME and Entrepreneurship

- Encourage Entrepreneurship efforts in schools
- Encourage Entrepreneurship efforts among community
- Upgrade informal trader stalls
- Create new markets by providing online support
- Enterprise Zones and Incubation Hubs
- Establish a Recycling Plant
- Establish a venison-based, red meat-packaging industry
- Establish businesses that will create finished goods from raw materials found within Thabazimbi

3. Promoting Thabazimbi

- Change negative perception
- Define the Thabazimbi Brand as an investment opportunity
- Online marketing campaign

- Trade and investment focused website

4. Support Structures

- Create a Trade Park for day labourers
- Construct centres that combine trade and tourism
- Increase local business’ access to information

5. Current Projects

- Provision of market stalls in Thabazimbi
- Establish a Business Development Centre (Incubation Centre)
- LED Support

7.2.6 Transport

1. Maintenance

- Identify and maintain key trade, mining and tourist routes
- Maintain and pave roads to rural communities
- Reinforce roads to compensate for heavy road freight
- Improve and maintain the storm water drainage system

2. Transformation

- Upgrade taxi ranks and ablution facilities in identified areas
- Increase usage of rail infrastructure
- Transform unused rail lines into tourism facilities
- Utilise railway line at Northam and Thabazimbi
- Production of Bio-diesel and Bio-ethanol

3. Establish

- Establish public transport facilities
- Develop and implement a Municipal Transport Plan
- Establish truck stops
- Construction of weigh bridges

7.3 Projects with Budgets and Funding Models

This Section presents the Investment Framework for Thabazimbi's projects. To facilitate successful implementation, it is necessary to outline an Investment Framework tailored to local conditions and the prioritised projects. This Investment Framework will focus on the different types of public and private development entities as vehicles for implementation under the following categories:

1. Public Private Partnerships
2. Co-operatives
3. Private Companies (Pty Lt)
4. Public Companies
5. Joint Ventures
6. Business Trusts

7.3.1 Funding Models

7.3.1.1 Public Private Partnerships

A Public Private Partnership (PPP) is a contractual agreement in which a private party takes responsibility for and assumes the risks for all or part of a public sector function for a specified amount of time. A PPP contract can be a service contract for a period of time, a management contract, a lease, a concession, a build-operate-transfer arrangement (BOT) or any other contractual agreement of similar nature.

Public-Private Partnerships are becoming increasingly popular in various parts of the world. They provide a means for both the public and private sectors to participate in areas, which were previously considered to be public responsibilities. The major benefits, which result, are the sharing of resources and risk.

PPPs can take a wide range of forms. A large infrastructure project such as the construction of a major highway in which the private sector undertakes design, construction, maintenance and operation (and possibly partial or full ownership), and takes a large portion of the risk is one example of a public-private partnership.

Another example is the outsourcing of a routine operation such as solid waste collection to a private company.

Some of the benefits associated with public-private partnerships include:

1. Access gained by government to private sector design and innovation skills.
2. Access to project management skills.
3. Access to private sector financing.
4. Access to finance and technical resources not available to the public sector.

A typical public-private partnership has the following characteristics:

1. The private firm invests in a capital asset and is responsible for maintaining and operating it over the life of the contract.
2. The focus is on the services provided and not on the assets used.
3. Risk transfer is a key element.
4. State assets are often transferred or made available to the private firm.

Public-Private Partnerships can play an important role in Thabazimbi with regard to the design, development, implementation, and financing of LED developmental projects. More often than not, the private sector can prove extremely effective in delivering basic services and infrastructure at a cost lower than government. This has not always been the case, but there are a number of examples where private companies have proven so, particularly in areas related to large scale construction, solid waste collection, and the construction of waterworks.

At the national level, South Africa has embraced the PPP concept as a key strategy in overcoming some of its infrastructure backlogs. Usage of PPPs has become fairly widespread at provincial and municipal spheres of governance. They represent an outstanding opportunity for governments to deliver much needed basic services and infrastructure at affordable costs and high quality levels. It is important to note that

the National Treasury needs to be consulted and provide their approval before a Municipality can engage a private entity in a PPP arrangement.

In LED, Public Private Partnership's examples include the development of tourism game farms on state owned land and the establishment of SMMEs in government owned buildings (including incubation initiatives).

7.3.1.2 . Co-operatives

A cooperative is a voluntary organisation formed by a group of people who have a common need that they want to address jointly, or a group of people who want to create employment for them².

A Cooperative means an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically – controlled enterprise organised and operated on co-operative principles³.

Cooperative Principles:

1. Voluntary membership.
2. Democratic member control.
3. Member economic participation.
4. Autonomy and Independence.
5. Education, Training and Information.
6. Co-operation with other co-operatives.
7. Concern for members of the community.

These Principles inform the design of cooperative business models.

7.3.1.3 Non-profit Companies (NPC)

A non-profit company is an entity that is incorporated for public benefit regarding cultural and social activities, or communal or group interests. The income and property non-profit company is not distributable to its incorporators, shareholders, directors, officers or persons related to any of them. In South Africa, non-profit companies issue

a tax certificate when requested by donors which can be used as a tax deduction by the specific donor⁴.

Examples of a Non-profit Company:

1. World Wildlife Fund
2. African Business Round Table
3. Rural Women's Movement
4. South African Black Entrepreneurs Forum

7.3.1.4 Private Company ((Pty) Limited)

A Private Company is a separate legal entity. A Private Company must register as a tax payer in its own right (independent from the owner) and is required by the Companies Act No 61 of 1973 to have its own rights and duties. Private companies under the new Companies Act of 2008 are prohibited to offer securities to the public and the transferability of their shares are also restricted. Private companies however, are no longer limited to 50 members as was the case under the current Companies Act.

Advantages of a Private Company:

- Shareholders have limited liability.
- The Companies Act imposes personal liability on directors.
- Life span is continuous.
- Adaptable to both small and large businesses.
- Not required to file their annual financial statements with the Registrar of Companies and are not available to the general public.

Disadvantages of a Private Company:

- Subject to many legal requirements
- Can be difficult and expensive to establish
- A private company cannot issue share warrants or be a bearer shares
- The quorum for a meeting is two shareholders for a Private Company
- A Private Company has its annual financial statements audited

² dti Co-operatives Handbook

³ Co-operatives Act

⁴ Companies Act

- A Private Company must have at least one and no more than 50 shareholders
- A Private Company articles must restrict the right to transfer its shares
- A Private Company cannot, therefore, be listed on the stock exchange

Examples of a Private Company ((Pty) Limited):

1. Standard Bank Group Ltd
2. Ernst & Young Services (Pty) Ltd
3. Pick n Pay Stores Ltd
4. Woolworths Holdings Ltd

7.3.1.5 Public Companies

A public company is a company that can offer its registered securities, such as stocks and bonds, for sale to the general public, typically through a stock exchange. Occasionally, the stock of a public company is traded over the counter (OTC) via market makers who use non-exchange quotation services. Public Companies only require one member for incorporation compared to the seven members under the previous companies Act⁵.

Examples of a Public Company:

1. Old Mutual
2. ABSA Group
3. Harmony Gold Mining Co.
4. Sasol Limited

7.3.1.6 State Owned Companies/ Parastatals

A State owned company is either a company defined as a "state-owned enterprise" in the Public Finance Management Act 1 of 1999 or a company owned by Provincial or Local Government. The majority of the provisions of a public company will apply to state-owned companies as well³.

Examples of a State Owned Company:

1. Alexkor
2. Broadband Infracore
3. Denel
4. Eskom
5. South African Airways
6. Transnet

7.3.1.7 Foreign and External Companies

A foreign company is a company incorporated outside of South Africa, irrespective of whether it is a profit or non-profit company or doing business in South Africa or not. A foreign company is prohibited from offering securities to the South African public unless it follows the specific provisions of the Companies Act, relating to offers to the public.

A foreign company is required to register as an "external company" with the Companies and Intellectual Properties Commission if it intends to conduct business in South Africa. The Companies Act in terms of Section 23 lists a series of activities which will be regarded as conducting business in South Africa.

Examples of a Foreign and External Company:

1. Barclays Bank
2. Acer Africa
3. Hertz International
4. Volkswagen South Africa

7.3.1.8 Joint Venture

A joint venture is a strategic alliance where two or more parties, usually businesses, form a partnership to share markets, intellectual property, assets, knowledge, and profits. Joint venture differs from a merger in the sense that there is no transfer of ownership in the deal. Joint Ventures typically occur between large businesses in an industry as well as two small businesses that believe partnering will help them successfully fight their bigger competitors. Companies with identical products and services can also join forces to penetrate markets they wouldn't or couldn't consider without investing tremendous resources.

A large company can also decide to form a joint venture with a smaller business in

⁵ Companies Act

order to quickly acquire critical intellectual property, technology, or resources otherwise hard to obtain, even with plenty of cash at their disposal.

A limited liability company will generally be the most suitable investment vehicle, since it allows great flexibility and can be used for joint ventures. Two types of Limited Liability Company are possible in South Africa: public companies and private companies. Both are created in terms of and are governed by the provisions of the Companies Act of 1973. Joint Ventures are not applicable to cooperative arrangements between Municipalities and Private Companies. In such a case a PPP would be registered.

7.3.1.9 Business Trust

Business Trusts consist of business assets that are placed under the control of a trustee(s) that are administered and operated for the benefit of the beneficiaries. There is no limit on the number of beneficiaries that are incorporated in the Business Trust. Assets and beneficiaries must be clearly identified. A trust can be set up for any period of time and is thus capable of continuous existence.

Advantages of a Business Trust:

1. Easy to establish.
2. There is limited liability (because the Trust is a legal entity on its own).
3. Extreme flexibility.
4. Can provide tax advantages.
5. Continuity.

Disadvantages of a Business Trust:

1. Limited access to capital.
2. Potential for conflict between parties (Trustees).

7.3.2 Potential Project Implementation Models and Options

During the course of this study several business models were considered. This sub-section provides an overview of the recommended business models or

implementation vehicles for the identified projects.

7.3.2.1 Implementing a Project as a Private Company

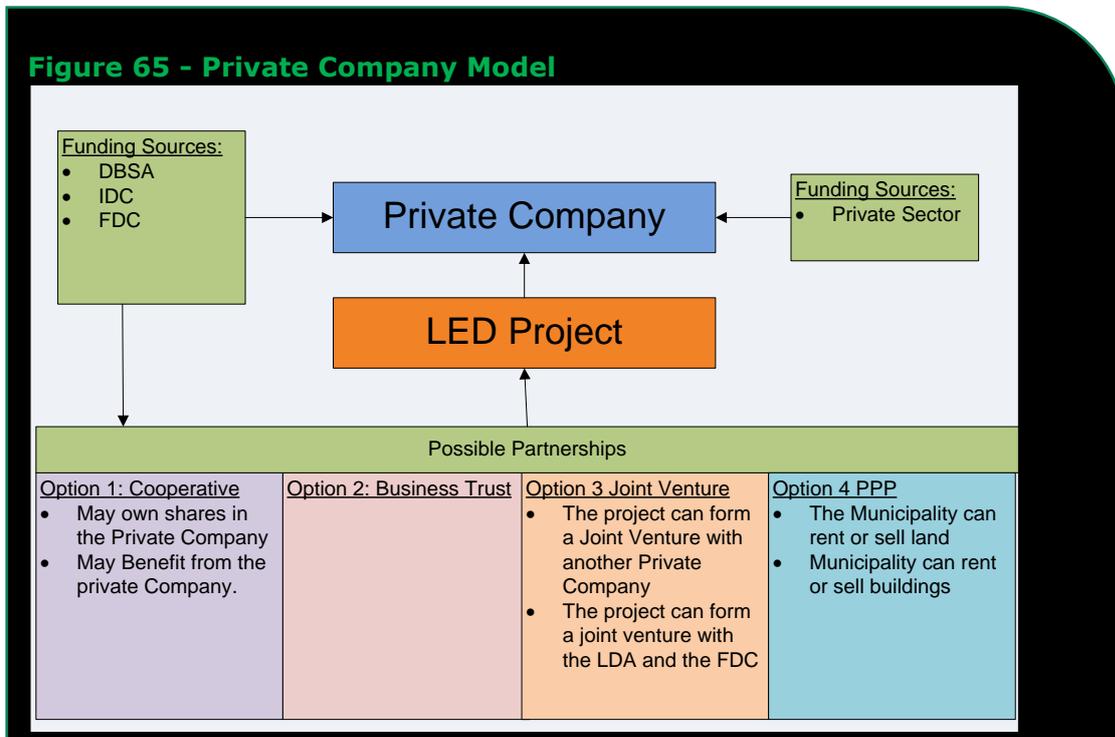
Figure 65 illustrates the investment option where a Private Company forms the centre. This means that the LED project will be established as a Private Company by an entrepreneur(s) or an existing Private Company. Under this scenario funding for the Private Company will be raised through equity finance (investment by shareholders) or debt finance (loans from financial institutions).

Figure 65 also indicates that the Private Company can be in a partnership arrangement with other business entities such as Cooperatives, PPPs, state-owned Companies, a Business Trust and Joint Ventures. Such arrangements could allow local cooperatives, for example, to hold shares in the Private Company which could be funded by the DBSA. In a PPP arrangement a Municipality can provide a site and/or buildings for the project (subject for approval from National Treasury).

The main advantages of this model are that:

1. There will be direct mentoring and skills transfer from the private sector to beneficiaries.
2. It is also likely that supply/procurement agreements and markets are already established that would ensure sustainability of the project.
3. Risk to the Limpopo Development Agency and the Municipalities is substantially reduced.
4. Funding for the project will be provided by private investors with the Limpopo Development Agency acting as a development facilitator.

Figure 65 - Private Company Model



The main disadvantages of this model are that:

1. Business knowledge and skilled individuals are needed. This is especially so during the initial operation phase of the project.
2. It may be difficult to benefit poor communities directly be through the business/project.

7.3.2.2 Implementing a Project as a Cooperative

Figure 66 illustrates the investment option where a Cooperative forms the centre. The project can be registered as a standalone Primary Cooperative, more than one Primary Cooperative or several Primary Cooperatives under the management of a secondary Cooperative. Cooperatives may hold shares in a Private Company (as part of a LED project business model). A Cooperative can also be placed under the management of a Business Trust. This option has the benefit of managing the release of funds to the Cooperative by appointed trustees.

Overall Cooperatives (especially standalone Cooperatives) do not have good survival rates in South Africa. This is mainly due to

a lack of management skills among the beneficiaries. Their main advantage is, however, that government entities can fund projects directly, purchase assets and transfer assets to the business.

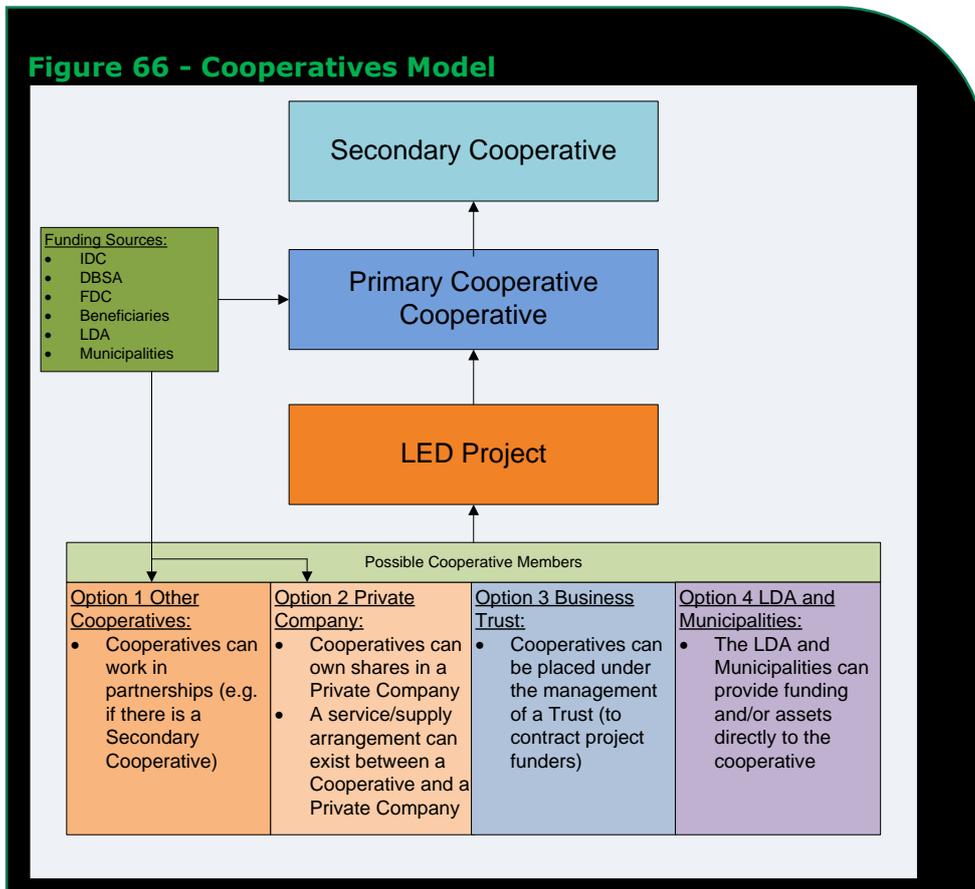
The main advantages of this model are that:

1. The Limpopo Development Agency, Municipalities and other government entities can fund cooperatives directly and/or provide assets.
2. Poor community members can easily be incorporated as beneficiaries.
3. Cooperatives can form part of value-chains in larger business models.

The main disadvantages of this model are that:

1. The model is typically dependent on external public sector related funding which may be difficult to secure.
2. Cooperatives are at high risk of financial mismanagement by members.
3. Cooperatives typically suffer from a lack of proper management and labour skills.
4. Cooperatives tend to remain small with limited availability to compete in the market.

Figure 66 - Cooperatives Model



7.3.2.3 Implementing a Project as a Business Trust

Figure 67 illustrates an LED business model with a Business Trust as its core. A Business trust is regarded as one of the most expensive options for managing and implementing LED projects. They are typically required to pay higher tax rates than Private Companies and also subjected to more expensive legal fees (due to the complexity of registering a Trust). A Trust does have the advantage, though, of being very secure in terms of management of their funds and assets. Trusts are also registered as separate a legal entity which means that the Trust is ultimately responsibility for all debt and not the Limpopo Development Agency, the beneficiaries or any of the trustees. This is especially relevant if the project fails or becomes bankrupt. Overall Trusts are expensive to register, subject to higher tax levels and not a popular vehicle for LED projects at Municipal level.

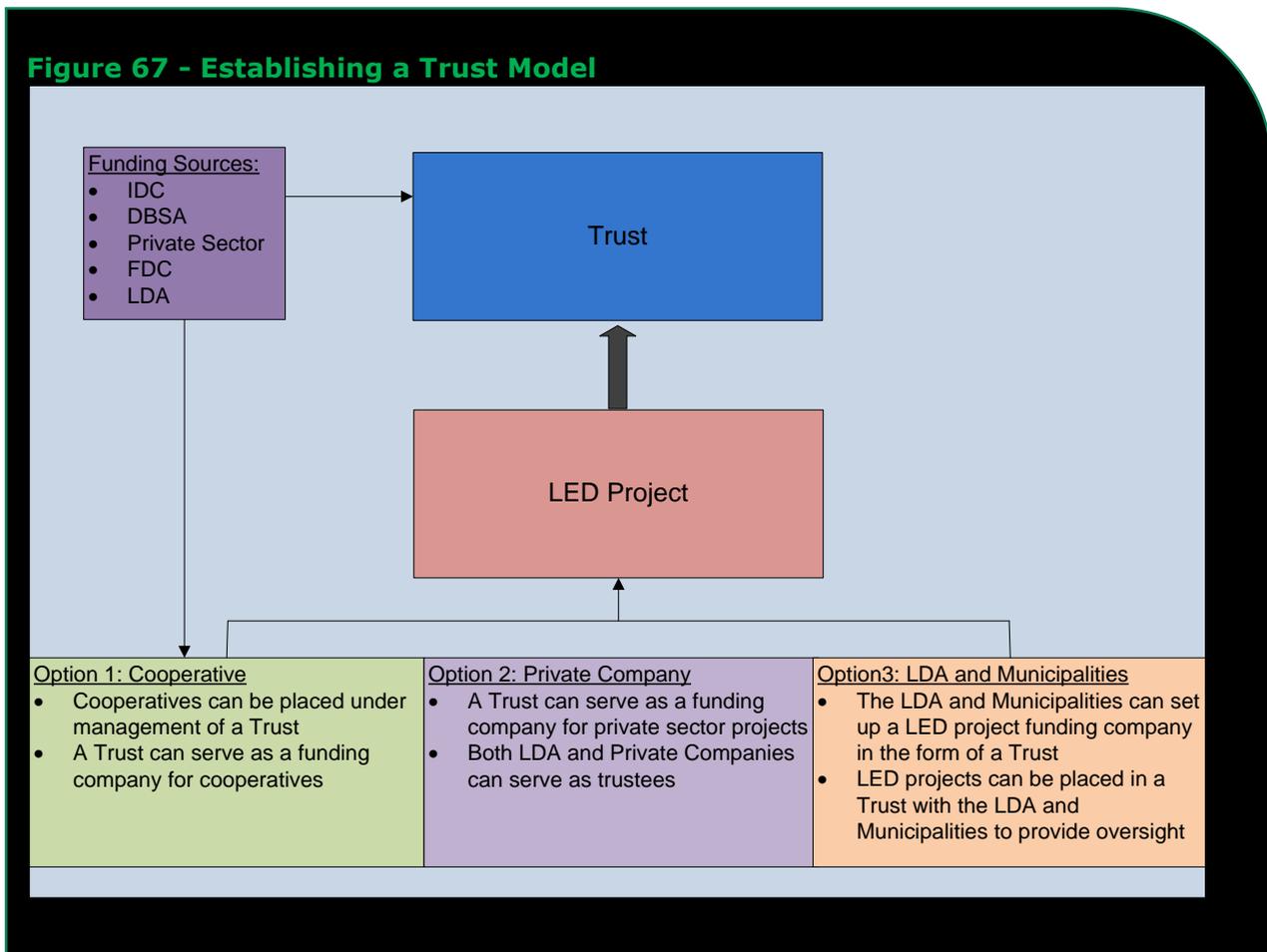
Advantages of a Business Trust:

1. There is limited liability.
2. The Limpopo Development Agency, Municipalities and even private sector individuals can serve as trustees to provide oversight (sign cheques).

Disadvantages of a Business Trust:

1. Expensive and legally complex the register and to make changes.
2. Potential for conflict between trustees.
3. Subject to higher tax rates.
4. Not popular vehicle for local LED projects.

Figure 67 - Establishing a Trust Model



7.3.2.4 Implementing a Project as a Public Private Partnership

Figure 68 illustrates a LED project business model with a Public Private Partnership at its core. A PPP is registered when the public and private sector agrees to implement a large project together. PPPs are very complex and expensive to register and typically not heard of at the Local Municipal level. To register a PPP a public entity like a Municipality first has to obtain approval from the National Treasury Department. After initial approval, a comprehensive feasibility study has to be commissioned accordance with the criteria set out by National Treasury’s guidelines for such studies. It is not uncommon for such feasibility studies to cost in excess of R2,000,000. Only after all the Treasury requirements for PPPs have been satisfied can it be registered. At the Municipal level, a development Agency would rather be established and registered as a Pty Limited.

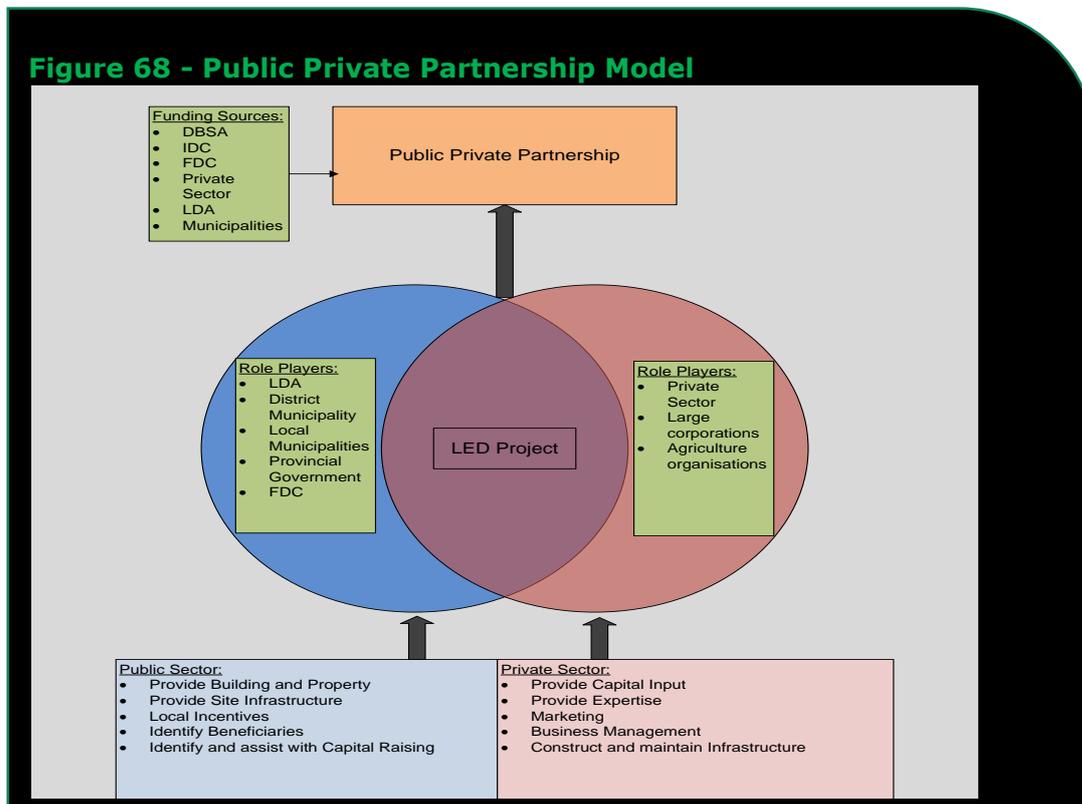
The development Agency can then form a Joint Venture with Private Companies rather than a PPP.

This type of business model is suited for projects that requires large infrastructure to be developed for the business to be established. A typical public-private partnership has a private firm invests in a capital asset and is responsible for maintaining and operating it over the life of the contract with state assets transferred or made available to the private firm.

Benefits of a public-private partnership:

1. Access gained by government to private sector design and innovation skills.
2. Access to project management skills.
3. Access to private sector financing.
4. Access to finance and technical resources not available to the public sector.

Figure 68 - Public Private Partnership Model



Disadvantages of a Public Private partnership:

1. The National Treasury Department needs to approve the establishment of a PPP.
2. PPP registration is complex and expensive. It is therefore more applicable to large projects such as National highway construction Consortia.

7.3.2.5 Implementing a Project as a Joint Venture

Figure 69 illustrates an LED project business model with a Joint Venture as its core. A Joint Venture is a co-operation agreement between two or more Private Companies. Development Agencies are typically registered as Pty Limited which means that they can sign Joint Venture agreements with other Private Companies. In a Joint Venture agreement the Limpopo Development Agency can obtain shares in a LED project if it is registered as a Private Company. Other Private Companies can also buy into the project. Such arrangements provide LED project options for capital raising, knowledge and skills

transfer, management and complementary partnerships (such as those found in agro-processing).

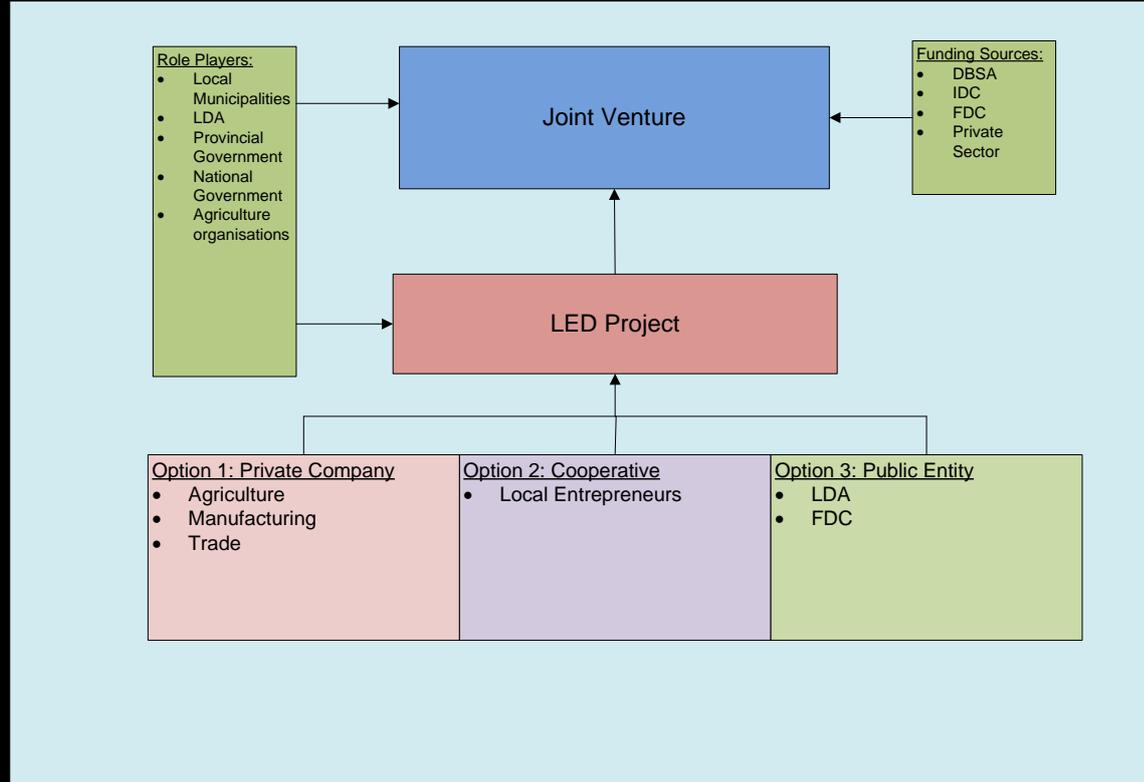
Benefits of a Joint Venture:

1. Transfer of knowledge and resources.
2. Providing a more competitive business environment.
3. Creating a Value chain.
4. Limpopo Development Agency can partner with the business/projects and with other private sector companies.

Disadvantages of a Joint venture:

1. Government Departments and Municipalities cannot form part of a Joint Venture agreement with a private firm or company.
2. Joint venture may be susceptible to corrupt practices or mismanagement in not controlled professionally.

Figure 69 - Establishment of a Joint Venture Model



7.3.3 Investment Incentives

Investment incentives include various tax, research & development, enterprise development and competitive enhancement incentives. As a point of departure, Thabazimbi may consider the following types of investment incentives:

7.3.3.1 General tax incentives

Local authorities in the United States frequently use reduced taxes (such as VAT) as an incentive to encourage investment in commerce and industry. South African local authorities are currently prevented from utilising these types of concessions. However, there are a number of national incentives provided for industries located within regions designated as Spatial Development Initiatives (SDI), Industrial Development Zones (IDZ) and other special districts.

Thabazimbi may, however, adopt a Policy to reduce rates on Municipal services for preferential investment and development.

Such incentives may include reduced rates on water, electricity and refuse removal. It is recommended that such incentives not be permanent but rather offered to the investor as a “reduced rates holiday” for a selected period of time.

7.3.3.2 Infrastructure

Infrastructure concessions often involve the provision of serviced industrial and commercial sites or special efforts to develop infrastructure and services in selected commercial areas in response to the needs of prospective investors. The implications of these infrastructure concessions are that the investor will be attracted, if the local authority is flexible and sensitive in amending its development/delivery schedule to accommodate the investors’ needs.

7.3.3.3 Land and Buildings

An incentive package of this type may involve the sale, transfer or rental of land, buildings or other facilities owned by the local authority on concessionary terms in

order to attract investment. This further implies assistance by the local authority in order to obtain premises. However, if the local authority intends making some of its own assets available, they must ensure that they are in compliance with National and Provincial legislation on the disposal of public assets (e.g. the Public Finance Management Act)

7.3.3.4 Regulatory reform

These concessions involve special efforts by the local authority to reduce constraining regulation and zoning that may stand in the way of potential business development. This aspect implies an accurate and speedy system to supply information relating to, and the approval of potential investment. In this regard the fast tracking of re-zoning applications and the issues of zoning certificates are very important.

7.3.3.5 Finance

Some international cities provide financial assistance in the form of special grants, access to start-up capital, bridging finance and credit, loan guarantees or the underwriting of risks. However, South African local authorities are currently prohibited from undertaking in these activities. The Limpopo Development Agency should however, have a database of "funders" on hand (including their qualifying criteria) to assist investors and make meaningful recommendations.

7.3.3.6 Approval process

One of the most basic incentives involves facilitating prompt decisions such as the approval of building plans and re-zoning applications. Prospective investors will lose interest if local authorities take too long to approve plans and applications. The establishment of a one-stop centre at the Thabazimbi Development Agency would go a long way to provide a convenient and professional service to potential investors and developers. This centre must be well marketed and its services integrated with that of the Local Municipalities

7.3.4 Priority Interventions (Project Packaging)

The strategy aims to give implementation impetus to projects by packaging various initiatives according to certain criteria. The recommended projects suggested here should by no means be regarded as all-inclusive or final. They are intended to set the tone for economic development intervention in Thabazimbi and to provide guidance to the District and the Economic Development Agency towards coordinated planning and the identification of implementable projects and integration. It should also be stated that the Development Agency will not necessarily be responsible for the funding and/or management of any particular programme or project.

Packaging of projects was done according to the following criteria:

1. Project name
2. Economic Driver
3. Impact Rating
4. Key Success Factors
5. Key Risks and Challenges
6. Potential Funding
7. Key Role Players
8. Estimated budget for the project

Prioritised projects are packaged in the tables provided in the sections below:

7.3.4.1 Investor Forum

Table 33 - Project Implementation Phase Action Plan: Investor Forum

Investor Forum			
Economic Driver		Impact Rating (1 = low, 5= high)	
Institutional Development		Skills Development	3
		Sustainability	4
		Employment	3
Project Priority	1	Overall Impact	5
Key Success Factors		Key Risks and Challenges	
<ul style="list-style-type: none"> Consistent participation by members. Cooperation and involvement between private and public sector. 		<ul style="list-style-type: none"> Maintaining involvement by stakeholders in the Forum Lack of cooperation between private and public sector stakeholders 	
Potential Funding		Key Role Players	
<ul style="list-style-type: none"> DBSA IDC LTA Private Investors <ul style="list-style-type: none"> Debt financing Equity financing 		<ul style="list-style-type: none"> LDA & LDM Local Municipalities Private Business Owners Public Development Partners 	
Estimated Budget			No budget required

7.3.4.2 Business Development Centre

Table 34 - Project Implementation Phase Action Plan: Business Development Centre

Business Development Centre (Incubation Centre)			
Economic Driver		Impact Rating (1 = low, 5= high)	
Trade and SMME		Skills Development	5
		Sustainability	4
		Employment	3
Project Priority	1	Overall Impact	4
Key Success Factors		Key Risks and Challenges	
<ul style="list-style-type: none"> Sufficient time devoted by stakeholders to development. Appropriate product demand in the area. 		<ul style="list-style-type: none"> High capital input costs initially. Generating stakeholder involvement from public and private parties. Determining the correct programmes to be offered. 	
Potential Funding		Key Role Players	
<ul style="list-style-type: none"> DBSA IDC Private Investors <ul style="list-style-type: none"> Debt financing Equity financing 		<ul style="list-style-type: none"> LDA & LDM Local Municipalities The Industrial Development Cooperation The Limpopo Development Corporation Private Investors 	
Estimated Budget			R5,000,000 to R10,000,000

7.3.4.3 Catalytic Converter Component Manufacturing Plant

Table 35 - Project Implementation Phase Action Plan: Catalytic Converter Component Manufacturing Plant

Catalytic Converter Component Manufacturing Plant			
Economic Driver		Impact Rating (1 = low, 5= high)	
Mining		Skills Development	4
		Sustainability	3
		Employment	5
Project Priority	2	Overall Impact	4
Key Success Factors		Key Risks and Challenges	
<ul style="list-style-type: none"> Sufficient demand for the components Proper skill development. 		<ul style="list-style-type: none"> High capital input is required. Distance from markets. Competition from established companies in the market. 	
Potential Funding		Key Role Players	
<ul style="list-style-type: none"> DBSA dti IDC LDA Private Investors <ul style="list-style-type: none"> Debt financing Equity financing 		<ul style="list-style-type: none"> LDA & LDM Local Municipalities The Industrial Development Cooperation The Limpopo Development Corporation Private Investors 	
Estimated Budget		R5,000,000 to R10,000,000	

7.3.4.4 Tourism Based Website

Table 36 - Project Implementation Phase Action Plan: Tourism-Based Website

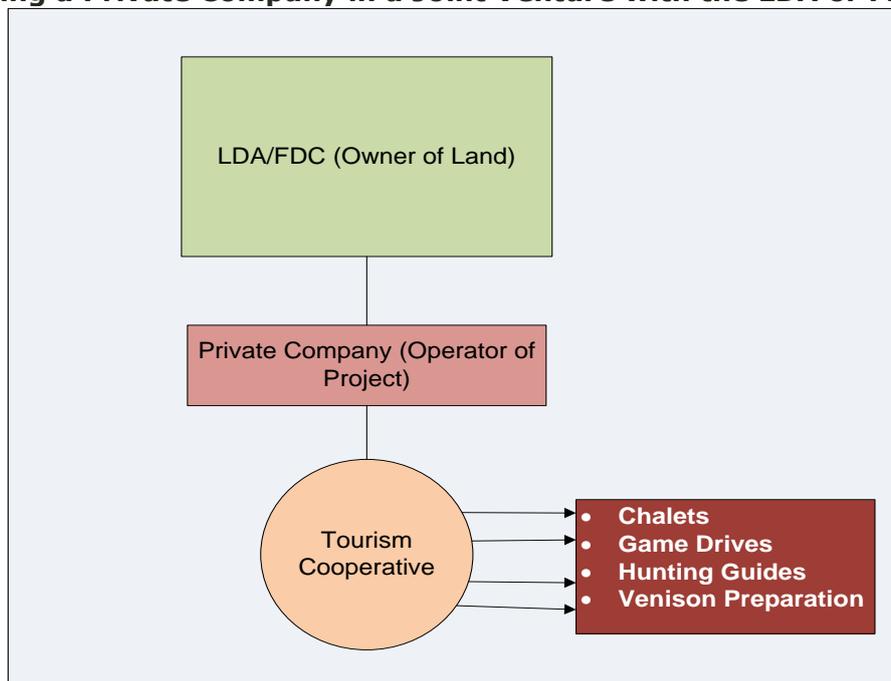
Tourism-Based Website			
Economic Driver		Impact Rating (1 = low, 5= high)	
Tourism		Skills Development	2
		Sustainability	4
		Employment	2
Project Priority	4	Overall Impact	4
Key Success Factors		Key Risks and Challenges	
<ul style="list-style-type: none"> Regular updating of website information Access to target audience 		<ul style="list-style-type: none"> Keeping the website updated with relevant information. Marketing the website to the target audience. 	
Potential Funding		Key Role Players	
<ul style="list-style-type: none"> DBSA IDC LTA Private Investors <ul style="list-style-type: none"> Debt financing Equity financing 		<ul style="list-style-type: none"> LDA & LDM Local Municipalities Limpopo Department of Economic Development, Tourism and Environmental Affairs Private Investors Private Hosting Company 	
Estimated Budget		R100,000 to R500,000	

7.3.4.5 Game Farming

Table 37 - Project Implementation Phase Action Plan: Game Farming

Game Farming			
Economic Driver		Impact Rating (1 = low, 5= high)	
Tourism		Skills Development	5
		Sustainability	4
		Employment	5
Project Priority	2	Overall Impact	5
Key Success Factors		Key Risks and Challenges	
<ul style="list-style-type: none"> Professional management Aggressive marketing Sufficient Tourism demand Involvement in the private sector 		<ul style="list-style-type: none"> High capital outlay is required. Insufficient tourism demand Competing game farms in the region. 	
Potential Funding		Key Role Players	
<ul style="list-style-type: none"> DBSA IDC Private Investors <ul style="list-style-type: none"> Debt financing Equity financing 		<ul style="list-style-type: none"> LDA & LDM Local Municipalities Limpopo Department of Economic Development, Tourism and Environmental Affairs Private Investors 	
Type of Business			

Establishing a Private Company in a Joint Venture with the LDA or FDC.



Estimated Budget

R8,000,000 to R10,500,000

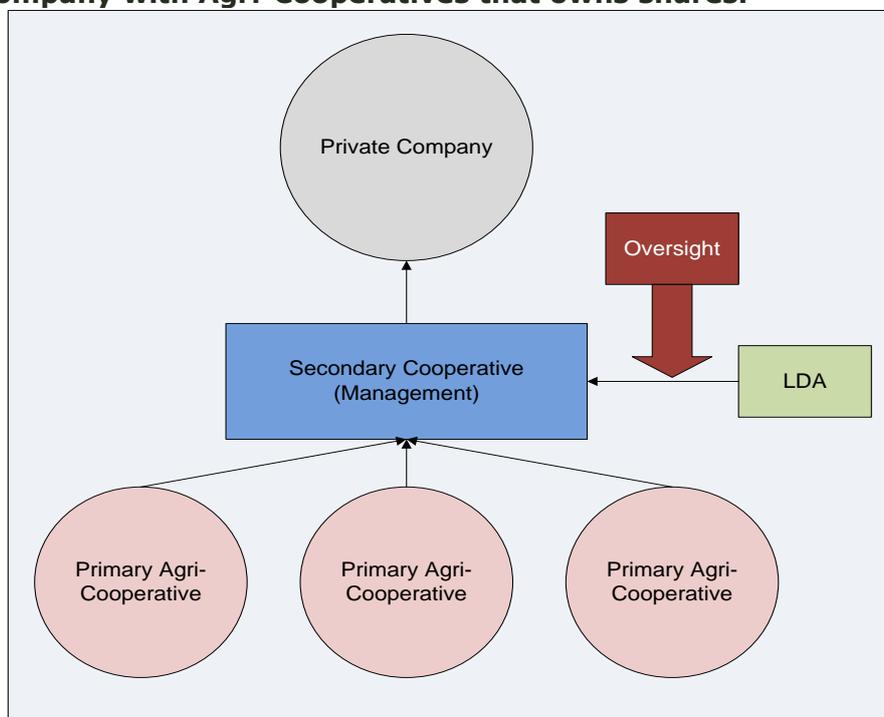
7.3.4.6 Local Fertiliser Manufacturing Plant

Table 38 - Project Implementation Phase Action Plan: Local Fertiliser Manufacturing Plant

Local Fertilizer Manufacturing Plant			
Economic Driver		Impact Rating (1 = low, 5= high)	
Agriculture		Skills Development	3
		Sustainability	4
		Employment	5
Project Priority	5	Overall Impact	5
Key Success Factors		Key Risks and Challenges	
<ul style="list-style-type: none"> • Availability and production of sufficient raw materials. • Sufficient product demand in the area. 		<ul style="list-style-type: none"> • Competition with similar industries. • Distance from markets and associated cost of transport. • Demand for and quality of product may vary. 	
Potential Funding		Key Role Players	
<ul style="list-style-type: none"> • DBSA • dti • IDC • LDA • Private Investors <ul style="list-style-type: none"> ○ Debt financing ○ Equity financing 		<ul style="list-style-type: none"> • LDA & LDM • Local Municipalities • Commercial Farmers • Emerging Farmer Cooperatives • The Industrial Development Cooperation • Limpopo Agriculture • The Agriculture Research Institute 	

Type of Business

Private Company with Agri-Cooperatives that owns shares.



Estimated Budget

R5,000,000 to R8,000,000

7.4 Key Interventions

The effective execution of LED projects requires implementation of several key interventions that lay the framework for development. These interventions are designed to achieve the following:

1. Effective communication of LED opportunities, support services and other information.
2. Collaboration between key stakeholders in government and the private sector.
3. Access to funding and other resources necessary for project development.
4. Effective skills transfer and local procurement

The interventions summarised in this subsection are based on widely accepted LED practices, require little or no funding, and are necessary for project implementation. It is therefore recommended that these interventions be implemented as early as possible.

7.4.1 Create a Network for Disseminating Information

The Thabazimbi LM LED Strategy offers a range of recommendations for boosting local businesses, supporting entrepreneurs and facilitating economic growth. However, these interventions are only viable if the intended beneficiaries are made aware of them. It is therefore crucial that the Thabazimbi LM establishes a network for disseminating information on LED.

The information network should inform relevant stakeholders about the following:

1. General LED opportunities and identified growth industries.
2. Specific LED projects and interventions, as well as their implementation timeframe.
3. Opportunities for LED participation and engagement.
4. Support mechanisms for training and business development.
5. Incentives for industrial investment and business establishment.
6. Potential partnership opportunities with established industry.

7. Contact details for relevant LED officials and agents.
8. Contact details for other stakeholders in the LED process.

The effectiveness of the proposed LED information network depends on the regularity and accuracy of information provided. It also depends on the channels used to disseminate information, which may include the following:

1. Meetings of the proposed Thabazimbi LM LED Forum.
2. The Thabazimbi Local Municipality and Waterberg District Municipality websites.
3. The Thabazimbi LM Chamber of Business.
4. Community halls and facilities.
5. Local newspapers and other media
6. Monthly newsletter distributed to local businesses.
7. The Thabazimbi LM LED Facebook page, twitter account or other social media.

7.4.2 Establish the Thabazimbi LM LED Forum

The creation of an LED Forum is crucial for the effective planning, design and implementation of projects and interventions. An LED Forum is a **platform for private sector, local residents and government to share information, pool resources and solve problems relating to the implementation of LED projects.** The forum should seek to encourage dialogue among LED stakeholders, particularly between local government and the private sector. Moreover, the forum contributes to finding solutions to particular development challenges.

The Thabazimbi LM LED Forum will be tasked with achieving the following objectives:

1. Ensure the integration of LED initiatives into the Integrated Development Plans (IDPs).

2. Assist with disseminating information on LED interventions and available support.
3. Provide inputs into the design and implementation of identified LED projects.
4. Relay specific challenges to the Municipality as they arise and seek to address these challenges through a collaborative process.
5. Leverage access to funding for LED implementation from government and the private sector.
6. Enhance local awareness and support for LED interventions.
7. Facilitate partnership development between the public and private sector and between established and emerging businesses within the private sector.

It is recommended that the Thabazimbi LM LED Forum be established as soon as possible in order to address key challenges and take advantage of current opportunities in the local economy. Establishment of the forum can be facilitated by calling a community meeting to determine the core members and develop a specific mandate. It is recommended that subsequent meetings are held monthly or bi-monthly to discuss key interventions, while smaller units within the forum will meet more regularly to facilitate the implementation of specific interventions.

The Thabazimbi LM LED Forum also has an important role to play in engendering greater collaboration between different groups in society. This includes collaboration between big industry and small business; between stakeholders; and between local government and the business community. This collaboration will not only have an important impact on future economic development in the region but may also facilitate greater social cohesion, which in turn will advance socio-economic outcomes.

The LED forum will include representatives from government, civil society and the private sector including:

1. The Thabazimbi LM LED Unit.
2. The Waterberg LED Unit and sector departments.
3. Government sector departments.
4. South African Local Government Association (SALGA).
5. The Thabazimbi LM Chamber of Business.
6. Local industry and Small business owners.
7. Tourism operators.
8. Farmer's cooperative (Afgri).
9. Community based organisations and NGOs.

7.4.3 Lobby for LED Resources

The Thabazimbi LM LED Strategy recommends implementation of a range of projects, including large-scale multi-million rand ventures and other smaller cost-effective interventions. However, despite this diversity there is a common need for resources, both in terms of finance and institutional capacity. It is therefore imperative that the Thabazimbi LM LED Unit lobby for resources from local, district and provincial government as well as the private sector.

The most important mechanism for achieving municipal support is to ensure that priority LED projects are included in the IDP and allocated a sufficient implementation budget.

The Thabazimbi LM LED Unit also has an opportunity to leverage resources from provincial government, state grants and the private sector. These resources are however typically linked to specific objectives and thus may only be available for certain interventions. It is therefore recommended that the Thabazimbi LM LED Unit, in collaboration with the LED Forum, identify potential funding opportunities and package LED projects in a manner that increases their likelihood of securing funding and support.

7.4.4 Skills Transfer and Local Procurement

Since LED constitutes a collaborative effort between local government and the private sector, **skills transfer** must be facilitated in accordance with the National Skills Accord. This Accord was signed by representatives from business, organised labour and civil society.

The commitments made through the Skills Accord apply to all LED projects and include the following:

1. Expand the level of training during project implementation by using existing local facilities more fully.
2. Make internship and placement opportunities available during LED project implementation.
3. Set guidelines for training ratios, particularly artisans and other technical vocations.
4. Increase funding levels for LED projects and the use of funds for training.
5. Set annual targets for training in LED programmes where local government plays a key role.
6. Improve SETA governance and financial management as well as stakeholder involvement throughout the LED implementation process.
7. Align training to the New Growth Path and improve Sector Skills Plans.
8. Improve the role and performance of Further Education and Training (FET) Colleges in LED projects.

The National Skills Accord emphasises the need for enhanced workplace training; technical skills development; and greater collaboration between government, industry and labour. Local government should uphold these objective throughout the LED implementation process.

All governmental institutions are required to provide tenders according to the Preferential Procurement Act. In the context of a local economy highly based on manufacturing, trade (especially SMMEs) and tourism, LED must be promoted by

linking economic development to **public sector procurement systems**.

7.5 Project Implementation

The actual implementation of the various activities associated with Implementation Plan must primarily be facilitated by the Limpopo Development Agency while being supported by other role players.

Given the fact that effective planning, management and implementation of the strategy will be especially effective in terms of poverty alleviation and employment creation, focused efforts should be undertaken to ensure that the Implementation Plan is comprehensively executed. It is therefore necessary to highlight the specific roles and responsibilities of the Development Agency.

The Limpopo Development Agency will serve as an external delivery mechanism for the Implementation Plan and projects. An Economic Development Agency is a special purpose vehicle envisaged to serve the area by assisting Municipalities in filling the gaps that exist between the phases of conceiving development, the creation of development plans, and the initiation and implementation of the various Economic Drivers.

Given the developmental status and needs in Thabazimbi, the Development Agency will have to address the following key focus areas:

- The planning and implementation of catalytic and turn-key LED projects that will contribute to economic growth, employment creation and diversification across targeted economic sectors.
- Linked with the above, is the implementation of the projects in cooperation with the Municipalities and other key stakeholders.
- The implementation of projects that promote rural and urban development, regeneration and integration, with specific focus on the development of the rural portions of Thabazimbi.
- Facilitation and implementation of

initiatives that promote labour force development, entrepreneurial and skills development, and establishing networks through which these skills can be matched with demand.

- Marketing and promotion of economic opportunities in Thabazimbi, including investment brokerage and aftercare.

In addressing these focus areas, the Agency will be responsible for the identification, planning, conceptualisation, packaging, implementation, facilitation, development and monitoring of LED projects and initiatives in Thabazimbi that are commercially viable, bankable and sustainable. These projects refer to any sectoral, spatial or industry-specific project or any other focused initiative that will achieve the strategic objectives set forward by this Implementation Plan.

7.5.1 Identifying Technical Partner

It will be the project team's responsibility to identify the technical partner and facilitate a meeting between the technical partner and the client. It is important to understand the role of the technical partner as there are two types namely:

- **Consultative Technical Partner:** A consultative technical partner is a partner that provides technical input to the business on a regular basis.
- **Owner/manager Technical Partner:** An owner/manager technical partner is a company/person (preferably a local company/person from Thabazimbi LM) who is actively involved in the day to day operation of the business. The company/person takes responsibility of the business and will have to report back to the directors of the company. It will be expected of the owner/manager to provide a monetary contribution to the set-up cost of the company.
- The technical partner will have minimum requirements that are outlined in the bid proposal.

7.5.2 Allocate Land

The following possibilities are available to acquire land for projects:

- Purchase a property on the open market
- Rent a property from a private individual
- Acquire a property that belongs to the municipality
- Rent a property that belongs to the municipality

All the statutory requirements of the property needs to be addressed during this stage of the process. The following elements will have to be scrutinised during Step 6:

- Land use (Zoning)
- Size
- Title deed
- Access
- Basic infrastructure
- Flood lines
- Building rights

The project team will assist the client with the identification and statutory requirement of the properties. It is important that the property is identified at an early stage of the project implementation process for planning purposes.

7.5.3 Identify Project Champion

A project champion is a local entrepreneur that resides in the municipality and would like to take part in the implementation and ownership of a project. The project champion is usually a previously disadvantaged individual who has an interest in a specific field but does not have the necessary resources to implement a project. This step provides a unique opportunity to somebody or an organisation from the community to partake in a project and to have equity in the business.

7.5.4 Identify Financiers

The project team together with the technical partner and the TLM will identify

possible financial institutions that could fund the projects. It is also important to build a relationship with the financial institutions for future project and initiatives in the municipality. Various relationships with financiers exist through Africa Finance Group & Extreme Global Solutions involvement. The following financial institutions will be considered, but not limited to, for projects:

- Industrial Development Corporation (IDC)
- Development Bank of South Africa (Jobs fund)
- Corporate banks (Standard Bank, Nedbank, FNB, ABSA)
- National Empowerment Fund (NEF)
- Public Investment Corporation (PIC)
- Department of Trade and Industry (incentive schemes)
- Land Bank
- European Union (grant funding)

7.5.5 Identify an Investor

The investor needs to be involved at an early stage in the process as it is imperative that the investor will take ownership of the project. The investor takes up equity in the project through the purchasing of share in the company. The technical partner that was identified previously, could also become the investor. An investor is a person who purchases equity in a business and needs to have the following attributes:

- A strong balance sheet
- Ability to purchase shares of the company
- Ability to plan, analyse and understand the business and industry
- More than 5 years' experience in the specific sector
- Successfully set-up or managed a new business for at least 3 years
- Contribute and introduce improvements on the business plan
- Ability to interact with clients at all levels in an organization
- Ability to develop and maintain good working relationship with LLM

7.5.6 Full Feasibility with Finances

The purpose of this step is to determine the viability of the proposed business venture. Both secondary and primary research will be used as basis to determine if the proposed business venture is feasible or not. The feasibility assessment will include the following:

- Industry overview
- Competitive analysis
- Risk assessment
- Target market analysis
- Operational analysis
- Growth opportunities
- Industry specific risks
- Distribution channels
- Bargaining power of customers
- Barriers to enter the market
- Unique selling proposition

7.5.7 Approval by Steering Committee

After the Full Feasibility had been completed, the steering committee needs to approve the viability of the project. The project team will present the feasibility findings to the steering committee. It is recommended that a steering committee be formed by the municipality for the implementation of the LED. The steering committee needs to be represented by individuals with decision making authority. The steering committee will have three choices after the final feasibility study has been presented namely:

- Approve the project
- Recommend changes in the concept
- Stop the project

7.5.8 Compile a Business Plan

The business plan will focus on the operational aspects of the business and the inputs from the investor and municipality will be required to compile the plan. The business plan, together with other requirements from the financial institution, will be compiled in a document that can be submitted to the financiers.

A business plan usually consists of the following elements:

- Project overview
- Industry analysis
- Competitor analysis
- Operational plan
- Socio-economic benefit
- Staffing
- Marketing analysis
- Financial analysis
- Organograms
- Management

7.5.9 Submission to Preferred Financiers

Financial institutions also require supporting documentation to be submitted with a business plan. The supporting documentation includes, among others:

- Company registration
- List of the directors of the companies (CV's)
- Balance sheet of the investor
- Off-take agreements

Once funding for the project has been approved, the project will be handed over to the investor.

SECTION 8: Monitoring and Evaluation

Implementation of the LED Strategy needs to be monitored on an ongoing basis. Progress with respect to new investment and the impact thereof on Thabazimbi's economy needs to be constantly assessed and monitored over the implementation period of the strategy. To enhance efficiency and effectiveness of the strategy, continuous adjustments need to be made, based on market fluctuations and demand changes. This entails continuous strategic re-positioning.

The rationale for developing and updating a District Monitoring and Evaluation system include the following:

- Inform the sector departments of the development needs in Thabazimbi.
- Ensure that all role players are aware of all projects planned in the District.
- Make information of all projects available at one glance
- Compare profiles, projects and funds allocated.
- Compare Thabazimbi with other LMs in South Africa.
- Indicate whether national or provincial policies are adhered to by comparing the number and type of projects and the amount of funding.
- Inform all role players on the progress of project implementation.
- Inform provincial departments and politicians about the status of implementation by Thabazimbi.
- Determine the contribution and effectiveness of each strategy as projects and KPIs can be linked to specific strategies (PGDS, LED & IDP).
- Pinpoint the area of intervention through progress and tracking reports.
- Compare progress over numerous years.

8.1.1 Performance Assessment Framework

The Performance Assessment Framework is a set of recommendations provided for the benefit of the Limpopo Development

Agency. These recommendations or actions will allow for effective monitoring and evaluation of the development initiatives and their progress with regards to implementation.

The recommended performance framework for the Implementation Plan is presented in Figure 70 and sets out the detailed monitoring and evaluation process according to:

- Assessment and monitoring framework.
- Performance monitoring at project level.
- Performance evaluation, review and adjustment.
- Reporting.

Figure 70 - Performance Assessment Framework

1. Assessment and Monitoring Framework

1.1 Establish a working relationship between the Development Agency and other stakeholders and agree on a shared monitoring framework.

1.2 Define the necessary indicators for development and their data sources.

1.3 Develop Clear Reporting and Accountability Procedures.

2. Performance Monitoring at Project Level

2.1 Develop a single framework for summarizing project performance information.

2.2 Advise project drivers with regard to monitoring indicators and mechanisms.

2.3 Monitor and Advise on Implementation, Contractual Requirements and Partnerships.

3. Performance Evaluation, Review and Adjustment

3.1 Monitor and Advise on Technical Aspects of Project Implementation.

3.2 Monitor and Advise on Project Adjustment and Project Planning.

3.3 Monitor the Development Agency and other policy drivers.

4. Reporting

4.1 Annual Work Planning and Performance Reports

- The Limpopo Development Agency
- Projects
- The state of the local economy and employment

8.1.2 Monitoring and Evaluation of the Implementation Plan

The overall Implementation Plan and its impact should also be monitored. A Framework for monitoring the Thabazimbi Implementation Plan is provided by Table 39.

8.1.3 Monitoring and Evaluation of Programmes & Projects

The feasibility studies and business plans of all the projects must contain a detailed monitoring and evaluation plan based on the objectives and targets of the project as well as other relevant development indicators. Table 40 provides a broad framework for the monitoring and evaluation of the proposed initiatives.

Table 39 - Annual Monitoring and Evaluation of the Implementation Plan

Evaluation Statement	Level of agreement with statement	Comments
The Agriculture Economic Driver was satisfactorily implemented	Low Medium High	
The Institutional Development Economic Driver was satisfactorily implemented	Low Medium High	
The Tourism Economic Driver was satisfactorily implemented	Low Medium High	
The Projects adequately achieved their stated objectives	Low Medium High	
The resources were sufficient to carry out the Roll-Out plan	Low Medium High	
The leadership and capacities of role players and organisations were sufficient	Low Medium High	
The partnerships and networks formed in the Implementation Plan process will be sustained and strengthened	Low Medium High	
Implementation challenges, both anticipated and unexpected, were adequately addressed	Low Medium High	
The results achieved this year can be sustained	Low Medium High	
Resources could not have been used differently or been substituted, to have produced more results within the estimated costs	Low Medium High	
Resources could not have had the same results for less money or effort.	Low Medium High	
Resources were managed in the most efficient way possible to achieve the project objectives.	Low Medium High	

Table 40 - Annual Monitoring and Evaluation of LED Projects

Project Name:						
Project Driver:						
Project Location:						
Project Funder:						
Project Objectives	Performance Measure	Baseline Measure	Period 1	Period 1	Period 1	Period n
• Objective 1	• PM 1	• BM 1				
• Objective 2	• PM 2	• BM 2				
• Objective n	• PM n	• BM n				
			Example			
Data source			Project Financial Statements			
Data collection frequency			Once per quarter			
Data collection methods			Business survey, community survey, labour statistics etc.			
Parties involved and responsibilities			The Development Agency: Collection, management, evaluation			
Results: Where they are stored, communicated, and who has access			The Limpopo Development Agency CEO			

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Annexures

Annexure A - THABAZIMBI LED PROJECT PRIORITISATION

PROJECTS	STRATEGIC IMPORTANCE	ECONOMIC IMPACT	JOB CREATION	BEE/ CAPACITY BUILDING	SMME DEVELOPMENT SUPPORT	LED	POTENTIAL ANCHOR PROJECTS	PROJECT EVALUATION			VALUE	PRIORITY
								HIGH IMPACT (3)	MEDIUM IMPACT (2)	LOW IMPACT (1)		
Institutional Development												
Investor Forum	3	3	3	3	3	2	3	6	1	0	66.00	1
Restructure LED Directorate	2	2	3	3	3	3	3	5	2	0	62.00	2
Meet with Mines	3	3	2	2	3	1	1	3	2	2	46.00	3
Increase Civil Society Involvement	2	2	1	2	2	1	1	0	4	3	30.00	4
Mining												
Bio-diesel production, production of animal feed and fertilizer	2	2	3	2	1	3	2	2	4	1	46.00	1
Value adding to raw materials mined in Thabazimbi through local beneficiation	2	3	3	2	1	2	1	2	3	2	42.00	2
Catalytic Converter Component Manufacturing Plant	3	3	2	2	1	1	2	2	3	2	42.00	2

PROJECTS	STRATEGIC IMPORTANCE	ECONOMIC IMPACT	JOB CREATION	BEE/ CAPACITY BUILDING	SMME DEVELOPMENT SUPPORT	LED	POTENTIAL ANCHOR PROJECTS	PROJECT EVALUATION			VALUE	PRIORITY
								HIGH IMPACT (3)	MEDIUM IMPACT (2)	LOW IMPACT (1)		
Education and skills development	2	2	1	3	2	2	1	1	4	2	38.00	3
Encouraging local buying	2	3	1	2	2	2	1	1	4	2	38.00	3
Establish an inclusive standing Mining Sector Cluster Forum	2	2	2	3	2	1	1	1	4	0	38.00	3
Capacity development of local supplier base	2	2	1	3	2	2	1	1	4	2	38.00	3
Joint determination of social development priorities and joint social development planning	2	2	1	3	1	2	1	1	3	3	34.00	4
Upgrade road access	2	2	2	1	1	1	1	0	3	4	26.00	5
Water source development	2	2	2	1	1	1	1	0	3	4	26.00	5
Improved service delivery for residential development around mines	2	2	1	1	1	2	1	0	3	4	26.00	5
Mining of unexploited	2	2	2	1	1	1	1	0	3	4	26.00	5

PROJECTS	STRATEGIC IMPORTANCE	ECONOMIC IMPACT	JOB CREATION	BEE/ CAPACITY BUILDING	SMME DEVELOPMENT SUPPORT	LED	POTENTIAL ANCHOR PROJECTS	PROJECT EVALUATION			VALUE	PRIORITY
								HIGH IMPACT (3)	MEDIUM IMPACT (2)	LOW IMPACT (1)		
mineral deposits												
Convert Northam station into an Industrial Warehousing Park	2	2	1	1	1	1	2	0	3	4	26.00	5
Wholesale and Warehousing	2	2	1	2	1	1	1	0	3	4	26.00	5
Management of pollution risk of mining to public health and to surface and groundwater resources with effective public oversight	2	2	1	1	1	2	1	0	3	4	26.00	5
Existing and new Platinum Mines	1	2	2	1	1	1	1	0	2	5	22.00	6
Reed and grass production and harvesting	1	1	2	2	1	1	1	0	2	5	22.00	6
Catfish production	1	1	2	2	1	1	1	0	2	5	22.00	6
Earthworm farming	1	1	2	2	1	1	1	0	2	5	22.00	6
Pomegranate and vegetable juice production	1	1	2	2	1	1	1	0	2	5	22.00	6

PROJECTS	STRATEGIC IMPORTANCE	ECONOMIC IMPACT	JOB CREATION	BEE/ CAPACITY BUILDING	SMME DEVELOPMENT SUPPORT	LED	POTENTIAL ANCHOR PROJECTS	PROJECT EVALUATION			VALUE	PRIORITY
								HIGH IMPACT (3)	MEDIUM IMPACT (2)	LOW IMPACT (1)		
Production of dimension stone and sand	1	1	1	2	1	1	1	0	1	6	18.00	7
Implementation of the Mining Charter	1	1	1	1	1	1	1	0	0	7	14.00	8
Down-stream activities	1	1	1	1	1	1	1	0	0	7	14.00	8
Support mining as key employer in Thabazimbi	1	1	1	1	1	1	1	0	0	7	14.00	8
Adoption of explicit Local Mining Sector Labour Plan	1	1	1	1	1	1	1	0	0	7	14.00	8
Establishment of Local Sector Linkage Points	1	1	1	1	1	1	1	0	0	7	14.00	8
Adoption of an explicit preferential Mining Sector Local Procurement Plan	1	1	1	1	1	1	1	0	0	7	14.00	8
Agriculture												
Production and packaging of game meats	3	3	3	3	1	2	3	5	1	1	58.00	1

PROJECTS	STRATEGIC IMPORTANCE	ECONOMIC IMPACT	JOB CREATION	BEE/ CAPACITY BUILDING	SMME DEVELOPMENT SUPPORT	LED	POTENTIAL ANCHOR PROJECTS	PROJECT EVALUATION			VALUE	PRIORITY
								HIGH IMPACT (3)	MEDIUM IMPACT (2)	LOW IMPACT (1)		
Develop agro-processing industries	3	3	3	3	1	3	2	5	1	1	58.00	1
Implement game and eco-tourism flagship projects	3	3	3	2	1	3	2	4	2	1	54.00	2
Organic farming: agro-processing and vegetable packaging	2	3	3	2	1	2	3	3	3	1	50.00	3
Agricultural excellence centre	3	3	2	2	3	1	1	3	2	2	46.00	4
Development of agro-processing industries	2	3	3	3	1	2	1	3	2	2	46.00	4
Construct a local fertilizer manufacturing plant	2	2	3	2	1	2	2	1	5	1	42.00	5
Establishing animal disease control and prevention posts	3	3	2	1	1	1	2	2	2	3	38.00	6
Strengthen game and eco-tourism research,	2	3	1	3	1	2	1	2	2	3	38.00	6

PROJECTS	STRATEGIC IMPORTANCE	ECONOMIC IMPACT	JOB CREATION	BEE/ CAPACITY BUILDING	SMME DEVELOPMENT SUPPORT	LED	POTENTIAL ANCHOR PROJECTS	PROJECT EVALUATION			VALUE	PRIORITY
								HIGH IMPACT (3)	MEDIUM IMPACT (2)	LOW IMPACT (1)		
extension and training												
Youth agricultural awareness programs	2	2	1	3	2	2	1	1	4	2	38.00	6
Strengthening and capacitating extension services to farmers	2	2	1	2	2	2	1	0	5	2	34.00	7
Strengthen agricultural cooperatives	2	2	1	2	2	2	1	0	5	2	34.00	7
Strengthen and capacitating agricultural extension and training	2	2	1	2	2	2	1	0	5	2	34.00	7
Developing agricultural cooperatives	2	2	1	2	2	2	1	0	5	2	34.00	7
Improve animal productivity	3	3	1	1	1	1	1	2	0	5	30.00	8
Improving market access to farmers	2	2	1	2	1	2	1	0	4	3	30.00	8
Encourage communal farmers to participate in	1	2	2	3	1	1	1	1	2	4	30.00	8

PROJECTS	STRATEGIC IMPORTANCE	ECONOMIC IMPACT	JOB CREATION	BEE/ CAPACITY BUILDING	SMME DEVELOPMENT SUPPORT	LED	POTENTIAL ANCHOR PROJECTS	PROJECT EVALUATION			VALUE	PRIORITY
								HIGH IMPACT (3)	MEDIUM IMPACT (2)	LOW IMPACT (1)		
commercial agriculture												
Beef cattle production feedlots	2	2	2	2	1	1	1	0	4	3	30.00	8
Extensive cattle production	2	2	2	2	1	1	1	0	4	3	30.00	8
Intensive pork production	2	2	2	2	1	1	1	0	4	3	30.00	8
Intensive poultry production	2	2	2	2	1	1	1	0	4	3	30.00	8
Enhancing farmers access to credit	2	2	1	2	1	2	1	0	4	3	30.00	8
Enhancing market access	2	2	1	2	1	2	1	0	4	3	30.00	8
Production of crops rich in oil	2	2	2	2	1	1	1	0	4	3	30.00	8
Improve market access for tourism products	2	2	1	2	1	2	1	0	4	3	30.00	8
Build and maintain road infrastructure	2	2	2	1	1	1	2	0	4	3	30.00	8
Agricultural pollution incentives and awareness campaigns	2	2	1	1	2	2	1	0	4	3	30.00	8

PROJECTS	STRATEGIC IMPORTANCE	ECONOMIC IMPACT	JOB CREATION	BEE/ CAPACITY BUILDING	SMME DEVELOPMENT SUPPORT	LED	POTENTIAL ANCHOR PROJECTS	PROJECT EVALUATION			VALUE	PRIORITY
								HIGH IMPACT (3)	MEDIUM IMPACT (2)	LOW IMPACT (1)		
Increase availability of agricultural extension offices for emerging farmers	2	2	1	2	1	2	1	0	4	3	30.00	8
Educate small farmers on the dangers of indiscriminate animal breeding	2	2	1	2	1	1	1	0	3	4	26.00	9
Decrease cost of input costs to persuade more farmers to grow	2	2	1	2	1	1	1	0	3	4	26.00	9
Increase number of post-harvest handling facilities	2	2	2	1	1	1	1	0	3	4	26.00	9
Increase credit lines available to farmers	2	2	1	2	1	1	1	0	3	4	26.00	9
Grow and market crops for use as seasoning or in salad dressing	1	2	2	2	1	1	1	0	3	4	26.00	9
Use oil to make products	1	2	2	2	1	1	1	0	3	4	26.00	9
Establish animal and	2	2	2	1	1	1	1	0	3	4	26.00	9

PROJECTS	STRATEGIC IMPORTANCE	ECONOMIC IMPACT	JOB CREATION	BEE/ CAPACITY BUILDING	SMME DEVELOPMENT SUPPORT	LED	POTENTIAL ANCHOR PROJECTS	PROJECT EVALUATION			VALUE	PRIORITY
								HIGH IMPACT (3)	MEDIUM IMPACT (2)	LOW IMPACT (1)		
disease control posts												
Tenure security awareness campaigns	1	1	1	2	2	2	1	0	3	4	26.00	9
Developing of synergies with agricultural financiers	2	2	1	2	1	1	1	0	3	4	26.00	9
Improving animal health and quality services	2	2	1	1	1	1	1	0	2	5	22.00	10
Provide better road infrastructure	2	2	1	1	1	1	1	0	2	5	22.00	10
Provide better access to agricultural information	1	2	1	1	2	1	1	0	2	5	22.00	10
Promote increased and efficient fertilizer usage	2	2	1	1	1	1	1	0	2	5	22.00	10
Domestic heat from bio-ethanol gel, charcoal, wood pellets and biogas	1	2	1	2	1	1	1	0	2	5	22.00	10
Create legislation for land	2	2	1	1	1	1	1	0	2	5	22.00	10

PROJECTS	STRATEGIC IMPORTANCE	ECONOMIC IMPACT	JOB CREATION	BEE/ CAPACITY BUILDING	SMME DEVELOPMENT SUPPORT	LED	POTENTIAL ANCHOR PROJECTS	PROJECT EVALUATION			VALUE	PRIORITY
								HIGH IMPACT (3)	MEDIUM IMPACT (2)	LOW IMPACT (1)		
procurement for development												
Mechanization units in each production ward	1	2	1	1	1	1	1	0	1	6	18.00	11
Increase levels of technology adoption by small farmers	1	2	1	1	1	1	1	0	1	6	18.00	11
Electricity from burning of crop stubble or wood	1	1	1	1	1	1	1	0	0	7	14.00	12
Land reform PLAS program	1	1	1	1	1	1	1	0	0	7	14.00	12
Tourism												
Mining tours/ Informative visits	3	3	3	3	1	1	3	5	0	2	54.00	1
Develop game farming and hunting industries	3	3	3	3	1	2	1	4	1	2	50.00	2
Eco-tourism	3	3	3	2	1	1	3	4	1	2	50.00	2
Develop hospitality training facilities	3	2	2	2	3	2	1	2	4	1	46.00	3
Develop work experience	2	2	2	2	3	2	2	1	6	0	46.00	3

PROJECTS	STRATEGIC IMPORTANCE	ECONOMIC IMPACT	JOB CREATION	BEE/ CAPACITY BUILDING	SMME DEVELOPMENT SUPPORT	LED	POTENTIAL ANCHOR PROJECTS	PROJECT EVALUATION			VALUE	PRIORITY
								HIGH IMPACT (3)	MEDIUM IMPACT (2)	LOW IMPACT (1)		
programmes for youth												
Develop criteria for mines to use to pick projects to support and fund	3	1	1	2	3	3	1	3	1	3	42.00	4
Get rid of or lessen the red tape around funding	3	2	1	3	2	2	1	2	3	2	42.00	4
Promote more BBBEE involvement	2	2	2	3	3	1	1	2	3	2	42.00	4
Provide training in IT	2	2	1	2	3	2	1	1	4	2	38.00	5
Heritage-based and cultural tourism	3	3	2	2	1	1	1	2	2	3	38.00	5
Make support available to businesses who are not able to participate in BBBEE	2	2	2	2	3	1	1	1	4	2	38.00	5
Provide better internet service for better communication	2	2	1	2	2	2	1	0	5	2	34.00	6
Create a tourism based website for Thabazimbi	3	2	2	1	1	1	2	1	3	3	34.00	6

PROJECTS	STRATEGIC IMPORTANCE	ECONOMIC IMPACT	JOB CREATION	BEE/ CAPACITY BUILDING	SMME DEVELOPMENT SUPPORT	LED	POTENTIAL ANCHOR PROJECTS	PROJECT EVALUATION			VALUE	PRIORITY
								HIGH IMPACT (3)	MEDIUM IMPACT (2)	LOW IMPACT (1)		
Development of Thabazimbi market stalls	3	2	2	2	1	1	1	1	3	3	34.00	6
Develop a unique branding image for Thabazimbi	2	2	1	1	1	3	2	1	3	3	34.00	6
SMMEs and Cooperatives support	2	1	1	2	3	2	1	1	3	3	34.00	6
Develop tourism transport service	2	2	2	2	1	1	1	0	4	3	30.00	7
Promote more arts and crafts	2	2	2	2	1	1	1	0	4	3	30.00	7
Increase TTA involvement in local government decision making	2	1	1	2	2	2	1	0	4	3	30.00	7
Provide more financial and nonfinancial support for tourism entrepreneurs	2	2	1	2	2	1	1	0	4	3	30.00	7
Tourism development support and marketing	2	1	1	2	2	2	1	0	4	3	30.00	7
Rebuild and maintain roads	2	2	2	1	1	1	1	0	3	4	26.00	8

PROJECTS	STRATEGIC IMPORTANCE	ECONOMIC IMPACT	JOB CREATION	BEE/ CAPACITY BUILDING	SMME DEVELOPMENT SUPPORT	LED	POTENTIAL ANCHOR PROJECTS	PROJECT EVALUATION			VALUE	PRIORITY
								HIGH IMPACT (3)	MEDIUM IMPACT (2)	LOW IMPACT (1)		
Develop an effective and focused marketing strategy	2	2	1	1	1	2	1	0	3	4	26.00	8
New regulations for categorization and regulation of businesses	2	1	1	1	3	1	1	1	1	5	26.00	8
Coordinate Thabazimbi EXPO and music festival (Oppikoppi)	2	2	2	1	1	1	1	0	3	4	26.00	8
Promote Nature Reserves	2	2	1	1	1	1	1	0	2	5	22.00	9
Establish facilities for hunters' families	1	2	2	1	1	1	1	0	2	5	22.00	9
Erect more visible road signage	1	1	2	1	1	1	1	0	1	6	18.00	10
Extend Waterberg Biosphere	1	1	1	1	1	1	1	0	0	7	14.00	11
Trade and SMME												
Enterprise Zones and Incubation Hubs	3	2	2	3	3	2	2	3	4	0	54.00	1

PROJECTS	STRATEGIC IMPORTANCE	ECONOMIC IMPACT	JOB CREATION	BEE/ CAPACITY BUILDING	SMME DEVELOPMENT SUPPORT	LED	POTENTIAL ANCHOR PROJECTS	PROJECT EVALUATION			VALUE	PRIORITY
								HIGH IMPACT (3)	MEDIUM IMPACT (2)	LOW IMPACT (1)		
Establish a venison-based red meat packaging industry	3	3	3	3	1	1	3	5	0	2	54.00	1
Establish a Business Development Centre (Incubation Centre)	3	1	2	3	3	3	2	4	2	1	54.00	1
Encourage Entrepreneurship efforts in schools	3	2	1	2	3	1	3	3	2	2	46.00	2
LED Support	2	1	1	2	3	3	3	3	2	2	46.00	2
Advertising campaign promoting local business	3	2	2	1	2	2	1	1	4	2	38.00	3
Strengthen and develop local business	2	2	2	2	2	2	1	0	6	1	38.00	3
Establish a Recycling Plant	3	2	2	3	1	1	1	2	2	3	38.00	3
Construct centres that combine trade and tourism	3	3	2	2	1	1	1	2	2	3	38.00	3
Upgrade informal traders stalls	2	2	2	2	1	1	2	0	5	2	34.00	4

PROJECTS	STRATEGIC IMPORTANCE	ECONOMIC IMPACT	JOB CREATION	BEE/ CAPACITY BUILDING	SMME DEVELOPMENT SUPPORT	LED	POTENTIAL ANCHOR PROJECTS	PROJECT EVALUATION			VALUE	PRIORITY
								HIGH IMPACT (3)	MEDIUM IMPACT (2)	LOW IMPACT (1)		
Establish businesses that will create finished goods from raw materials found within Thabazimbi	2	2	3	2	1	1	1	1	3	3	34.00	4
Trade and investment focused website	3	2	1	1	1	2	2	1	3	3	34.00	4
Create a Trade Park for day labourers	2	2	2	2	1	1	2	0	5	2	34.00	4
Provision of market stalls in Thabazimbi	2	2	2	2	1	1	1	0	4	3	30.00	5
Create a Local Business Directory	2	1	2	1	2	1	1	0	3	4	26.00	6
Create new markets by providing online support	2	2	1	2	1	1	1	0	3	4	26.00	6
Define Thabazimbi Brand as an investment opportunity	2	2	1	1	1	2	1	0	3	4	26.00	6
Online marketing campaign	2	1	2	1	1	2	1	0	3	4	26.00	6

PROJECTS	STRATEGIC IMPORTANCE	ECONOMIC IMPACT	JOB CREATION	BEE/ CAPACITY BUILDING	SMME DEVELOPMENT SUPPORT	LED	POTENTIAL ANCHOR PROJECTS	PROJECT EVALUATION			VALUE	PRIORITY
								HIGH IMPACT (3)	MEDIUM IMPACT (2)	LOW IMPACT (1)		
Change negative perception	2	2	1	1	1	1	1	0	2	5	22.00	7
Increase local business access to information	2	1	1	1	2	1	1	0	2	5	22.00	7
Local coupon initiative	1	2	1	1	1	1	1	0	1	6	18.00	8
Transport												
Production of Bio-diesel and Bio-ethanol	2	3	3	3	1	1	1	3	1	3	42.00	1
Identify and maintain key trade, mining and tourism routes	3	2	1	1	1	2	3	2	2	3	38.00	2
Establish public transport facilities	3	2	2	3	1	1	1	2	2	3	38.00	2
Maintain and pave roads to rural communities	3	2	2	1	1	2	1	1	3	3	34.00	3
Reinforce roads to compensate for heavy road freight	3	2	2	1	1	2	1	1	3	3	34.00	3
Transform unused rail lines into tourism facilities	2	3	2	2	1	1	1	1	3	3	34.00	3

PROJECTS	STRATEGIC IMPORTANCE	ECONOMIC IMPACT	JOB CREATION	BEE/ CAPACITY BUILDING	SMME DEVELOPMENT SUPPORT	LED	POTENTIAL ANCHOR PROJECTS	PROJECT EVALUATION			VALUE	PRIORITY
								HIGH IMPACT (3)	MEDIUM IMPACT (2)	LOW IMPACT (1)		
Utilize railway line at Northam and Thabazimbi	3	2	1	2	1	1	1	1	2	4	30.00	4
Establish truck stops	2	1	2	1	1	2	2	0	4	3	30.00	4
Upgrade taxi ranks and ablution facilities in identified areas	2	1	2	2	1	1	1	0	3	4	26.00	5
Increase usage of rail infrastructure	2	2	1	1	1	2	1	0	3	4	26.00	5
Improve and maintain storm water drainage system	2	1	2	1	1	1	1	0	2	5	22.00	6
Construction of weigh bridges	2	1	2	1	1	1	1	0	2	5	22.00	6
Develop and implement a Municipal Transport Plan	1	1	1	1	1	1	1	0	0	7	14.00	7

